BOULDER CITY COUNCIL MEETING
MUNICIPAL BUILDING, 1777 BROADWAY
Tuesday, September 15, 2015
6 PM

AGENDA

1. **CALL TO ORDER AND ROLL CALL**
   A. **U.S. Tennis Association Award Grant** for **Flood Restoration**

   B. **Recognition** of the **COB Status** as a **Playful City**

2. **OPEN COMMENT and COUNCIL/STAFF RESPONSE (limited to 45 min.)**
   Public may address any city business for which a public hearing is not scheduled later in the meeting (this includes the consent agenda and first readings). After all public hearings have taken place, any remaining speakers will be allowed to address Council. All speakers are limited to three minutes.

3. **CONSENT AGENDA** (to include first reading of ordinances) Vote to be taken on the motion at this time. (Roll Call vote required)
   A. Consideration of a motion to approve the **minutes** for the **August 6, 2015** City Council **Special Meeting**

   B. Consideration of a motion to accept the **July 30, 2015 Climate Commitment Study Session Summary**

   C. Consideration of a motion to accept **the August 11, 2015 Capital Improvement Program (CIP) Study Session Summary**

   D. **Two matters** related to a **property located at 747 12th Street:**
   1. T**hird reading** and consideration of a motion **amending and adopting Ordinance No. 8029 designating** the building and **property at 747 12th St.,** to be known as **the Cowgill Property,** as an **individual landmark** under the City's Historic Preservation Ordinance
   Owner: 747 Twelfth Street, LLC Applicant: Landmarks Board

   2. Second reading, and consideration a motion publication by title only Ordinance **No. 8075 granting authority to the approving authorities** under Title 9, "Land Use Code," B.R.C. 1981**, to approve the subdivision of one building site into two building sites for a property generally described as 747 12th Street** and as an amendment to Title 9, "Land Use Code," **to waive or modify certain land use regulations** including standards related to the minimum lot size, setbacks, and building separation in order to meet city historic preservation objectives, and setting forth related details

   E. Consideration of a motion to **adopt Resolution No. 1171 concerning endorsement of projects of the Mental Health Center of Boulder County, Inc. D/B/A Mental**

Health Partners that includes the **remodeling of 1000 Alpine Ave**. (Boulder) and the **purchase of land and office building located at 1455 Dixon Ave.** (Lafayette) and a recommendation that the Board of County Commissioners of the County or other appropriate issuing authority issue tax-exempt revenue bonds for Mental Health Partners and setting forth related details

F. Second reading and consideration of a motion to **adopt Ordinance No. 8070** approving **supplemental appropriations for Open Space and Information Technology** to the **2015 Budget**

4. POTENTIAL CALL-UP CHECK IN

Opportunity for Council to indicate possible interest in the call-up of an item listed under 8-A.

A. 2440 & 2490 Junction Place Site Review & Use Review Planning board voted 4-2 to approve the Site Review application

B. 5530 Spine Rd./Alexan Gunbarrel Apts. Use Review

ORDER OF BUSINESS

5. PUBLIC HEARINGS

Note: Any items removed from the Consent Agenda will be considered after any City scheduled Public Hearings.

Items **5A-5C** will be included in one (1) Public Hearing.

A. Consideration of an **Emergency Ordinance No. 8082** concerning the proposed **issuance of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "2015 Certificates") in an amount not to exceed $41,000,000** for the purpose of providing **funds to acquire the Boulder Community Hospital Broadway Campus**; authorizing the conveyance of the Leased Property to The Boulder Municipal Property Authority ("BMPA") and the lease back of such Leased Property by the City; authorizing a competitive sale of the 2015 Certificates subject to certain parameters and approving the distribution and use of the Preliminary Official Statement and Notice of Sale in connection with the sale of the 2015 Certificates; delegating approval of the final terms of the 2015 Certificates to the Mayor, the City Manager or the Chief Financial Officer; approving the execution and delivery of certain documents in connection with the issuance of the 2015 Certificates; and declaring an emergency ordinance and providing the effective date hereof

B. Consideration of a motion to **adjourn from the Boulder City Council and convene as the Boulder Municipal Property Authority Board of Directors (BMPA)**; and

Consideration of **Resolution No. 139 approving the Amended and Restated Bylaws of the Boulder Municipal Property Authority (BMPA)**

C. Consideration of **Resolution No. 140** authorizing the **issuance of certificates of participation; the method of sale of such certificates; the execution and delivery of conveyance documents, lease and indenture, the use of a notice of sale and preliminary and final official statements; the execution** of related documents and setting forth related details; and

Consideration of **a motion to adjourn from the Boulder Municipal Property Authority Board of Directors (BMPA) and reconvene as Boulder City Council;** and

D. **Second reading** and consideration of a motion to order published by title only, **Ordinance No. 8072** to **improve occupancy enforcement by amending Title 9 "Land Use Code" by amending Section 9-15-9,** "Multiple Dwelling Units And Occupancy - Specific Defenses," eliminating a defense to over-occupancy based upon "active and diligent" management practices, amending Title 10 "Structures" amending Section 10-3-2, "Rental License Required Before Occupancy and License Exemptions" adding a prohibition of offering or advertising rental of a property without a valid rental license, adding a new Section 10-3-20 "Occupancy" requiring that the maximum legal occupancy be posted on all rental properties, requiring all rental licenses to include a notation of maximum occupancy and requiring all rental advertisements to include the maximum legal occupancy; amending Section 10-3-16 "Administrative Remedy" by increasing the fines for first and second violations and setting forth related details

E. Continued **second reading** and consideration of a motion to adopt and order published by title only, **Ordinance No. 8050 amending Title 10 "**Structures" for the purpose of allowing and **regulating short-term rentals** by amending Section 10-1-1 "Definitions" by amending the definition of "Operator," amending the definition of "Rental Property," adding a new definition of "Short-Term Rental," adding a new Section 10-3-19 "Short-Term Rentals" and setting forth related details

6. MATTERS FROM THE CITY MANAGER

A. **Nod of Five** for **Request** from **Boulder Community Health Foundation** to allow submittal of appropriate **applications that seek approval of a development plan** that would include **two buildings in excess of the height limit**

7. MATTERS FROM THE CITY ATTORNEY

8. MATTERS FROM MEMBERS OF COUNCIL

A. Potential Call-Ups-

1. **2440 & 2490 Junction Pl.** Site Review and Use Review Planning Board voted 4-2 to approve the Site Review application

2. **5530 Spine Rd**./Alexan Gunbarrel Apts. Use Review

B. **Direction** regarding **City Council Representatives** to the **University Hill Reinvestment Working Group**

C. **Boards & Commissions Mid Year Recruitment Appointments**

9. **PUBLIC COMMENT ON MATTERS** -15 min
Public comment on any motions made under Matters.

10. **FINAL DECISIONS ON MATTERS** Action on motions made under Matters

11. **DEBRIEF** -Opportunity for Council to discuss how the meeting was conducted-5 min

12. **ADJOURNMENT**

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Electronic presentations to the city council must be pre-loaded by staff at the time of sign up and will NOT be accepted after 3:30 p.m. at regularly scheduled meetings. Electronic media must come on a prepared USB jump (flash/thumb) drive and no technical support is provided by staff.

CITY OF BOULDER
CITY COUNCIL PROCEEDINGS
Special Meeting August 6, 2015

1. CALL TO ORDER AND ROLL CALL

Mayor Appelbaum called the Special August 6, 2015 City Council meeting to order at 6:05 PM in Council Chambers.

Those present were: Mayor Appelbaum, Council Members Cowles, Jones, Karakehian, Morzel, Plass and Young. Council Members Shoemaker and Weaver were absent.

2. PUBLIC HEARINGS

A. SECOND READING, AND CONSIDERATION OF A MOTION TO ADOPT EMERGENCY ORDINANCE NO. 8059 AMENDING CHAPTER 11-1 "WATER UTILITY," B.R.C 1981, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT RELATING TO THE PROVISION OF OUT-OF-CITY WATER SERVICES WITH THE OWNER OF 4400 PEACH COURT

The presentation for this item was provided by Deputy Director of Community Planning and Sustainability, Susan Richstone and Planner II, Jeff Hirt.

There being no speakers, the public hearing was closed.

Council Member Plass moved, seconded by Council Member Karakehian to adopt Emergency Ordinance No. 8058 amending Chapter 11-1 "Water Utility," B.R.C 1981, and authorizing the City Manager to execute an agreement relating to the provision of out-of-city water services with the owner of 4400 Peach Court. The motion carried 7:0 with Council Members Shoemaker and Weaver absent. Vote was taken at 6:16 PM.

B. BVCP SCHEDULE, WORK PLAN AND PROCESS FOR LANDOWNERS AND THE GENERAL PUBLIC TO SUBMIT REQUESTS FOR CHANGE TO THE PLAN

The presentation for this item was provided by Deputy Director of Community Planning and Sustainability Susan Richstone and Comprehensive Planning Manager Leslie Ellis.

The public hearing was opened:

1. Rich Lopez, a City planner and attorney urged Council to support the service extension to Area III.
2. Michael Boyers, an owner of Hogan Pancos, urged Council not to add this to Area III noting it was the last large parcel available for development.
3. Lancene Cadora spoke regarding the property she owns in North Boulder across from Dakota Ridge, and hopes to build senior housing unit.
4. Martin Streim from the Twin Lakes Action Group, spoke about the 10 Acre parcel at 6655 Twin Lakes Road and hoped to annex and develop the area.
5. Donna George had several questions regarding the process for updating the Boulder County Comprehensive Plan. She spoke to the importance of notifying affected properties.
6. Bo Parfet supported Service Area III expansion study.

There being no further speakers the public hearing was closed.

Council Member Jones moved, seconded by Council Member Young Accept the general schedule for the Boulder Valley Comprehensive Plan process, including the schedule for land use and policy requests, acknowledging that detailed times will be adjusted periodically as the project progresses; and to Direct staff to not begin a Service Area Expansion Assessment (study of sufficient merit/unmet need in the service area) as part of the 2015 BVCP update, and therefore not process request for service area expansions as part of the update. The motion carried 6:1, Council Member Karakehian opposed, at 7:18 PM.

Council Member Karakehian supported the suggested schedule. However he wanted to see the needs of affordable housing and work force housing met. He felt that this would be a good development property for these opportunities. He also believed the Area III process was not set up for success and needed changes to the process. He opposed the motion.

C. CONCEPT PLAN REVIEW AND COMMENT: REQUEST FOR CITIZEN, STAFF AND CITY COUNCIL COMMENT ON A PROPOSAL FOR A MIXED-USE DEVELOPMENT (ALEXAN FLATIRONS) LOCATED AT MCKENZIE JUNCTION, 3600 HIGHWAY 119 (DIAGONAL HIGHWAY), THAT INCLUDES 295 MARKET-RATE MULTI-FAMILY UNITS, 83 AFFORDABLE-RATE MULTI-FAMILY UNITS, ASSOCIATED COMMUNITY BUILDINGS AND 54,000 SQUARE FEET OF COMMERCIAL OFFICE SPACE (WITH OPTIONS FOR PARTIAL RETAIL AND COFFEE); REVIEWED UNDER CASE NO. LUR2015-00028

The presentation for this item was provided by Deputy Director of Community Planning and Sustainability Leslie Ellis and Senior Planner Elaine McLaughlin. Transportation Engineer, David Thompson answered questions for Council regarding CDOT, ¾ access into the lot, traffic concerns and speed limits.

Applicant presentation:
1. Jean Aschenbrenner was concerned about traffic impacts.
2. Francea Phillips, Meals on Wheels Director, supported the project as it would provide a location for the expansion of Senior housing.

There being no further speakers, the public hearing was closed.

Council discussed zoning issues, potential noise problems, transportation obstacles, and concern that this neighborhood may feel disconnected from the city. There was also discussion regarding the potential for this to be an opportunity to capture some affordable housing with a good design that would allow a nice gateway into the city. Council indicated that the developer and architect could come back with a redesign or another idea to address the property for council consideration but currently the design did not fit the challenging obstacles of the lot.

3. MATTERS FROM MEMBERS OF COUNCIL

A. REQUEST FOR COUNCIL DIRECTION REGARDING PROPOSED DRAFT LEASE WITH THE COLORADO CHAUTAUQUA ASSOCIATION - 9:28 PM

Presentation of this item was provided by City Attorney Tom Carr. He indicated that one of changes being requested by the Colorado Chautauqua Association was for moving from a 20 year lease to a one-time 30 year lease. Other changes included street maintenance, infrastructure improvements, use of the facilities and make-up of the Board of Directors. The direction being sought from council was whether the proposed draft lease should go forward for discussion and input from the Boards and Commissions.

Council supported an inclusive process with participation from the community and stakeholders. Council asked about timelines, specific projects (if any), Rental payments, maintenance of streets and snowplowing, maintenance of the restrooms and dining area, improvements, funding, membership to the committee, and use of the facility.

Council direction was to include a member of City Council on the Board and to move the lease forward.

B. CERTIFICATION OF CHARTER AMENDMENT PETITIONS

City Clerk Lewis presented the certificates of sufficiency for two Charter Amendment Initiatives, Neighborhoods Right to Vote on Land Use Changes and Development Shall Pay Its Own Way. Council was informed that First Reading Ordinances setting the ballot titles for both measures would be on the August 18 agenda.

C. NATIONAL LEAGUE OF CITIES COMMITTEE ASSIGNMENTS

Council Member Cowles suggested it was important to find replacements for his seats on the National League of Cities Committee and the Colorado Municipal League Policy Committee. Council asked that this item come back so that the absent council members could indicate interest or provide input.

4. ADJOURNMENT

There being no further business to come before Council at this time, BY MOTION
REGULARLY ADOPTED, THE SPECIAL MEETING WAS ADJOURNED on August 6, 2015 at 11:57 PM.

Approved this 15th day of September, 2015.

APPROVED BY:

_____
Matthew Appelbaum
Mayor

ATTEST:

_____
Alisa D. Lewis,
City Clerk

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM
MEETING DATE: September 15, 2015

AGENDA TITLE:
Consideration of a motion to accept the summary of the July 30, 2015, Study Session on Boulder's Climate Commitment

PRESENTERS:
David Driskell, Executive Director, Community Planning and Sustainability
Brett KenCairn, Senior Environmental Planner
Sarah Huntley, Communications Manager/Media Relations

EXECUTIVE SUMMARY:

This agenda item provides a summary of the July 30, 2015, Study Session on Boulder's Climate Commitment, Energy Efficiency Programs and Market Innovation Program Updates. The purpose of the study session was for City Council to review and provide comments and feedback on Boulder's Climate Commitment target goals.

STAFF RECOMMENDATION:

Suggested Motion Language:
Staff requests council consideration of this summary and action in the form of the following motion:

Motion to accept the summary of the July 30, 2015, Study Session on Boulder's Climate Commitment (**Attachment A**).

ATTACHMENT

A: Summary of the July 30, 2015, Study Session on Boulder's Climate Commitment

City Council Study Session Summary
July 30, 2015
Boulder's Climate Commitment

PRESENT
City Council: Mayor Matt Appelbaum, Mayor Pro Tem Suzanne Jones, Tim Plass, Macon Cowles, Lisa Morzel, Sam Weaver, Mary Young.

Staff Presenters: David Driskell, Executive Director of Community Planning and Sustainability; Brett KenCairn, Senior Environmental Planner; Sarah Huntley, Communications Manager for Energy Programs.

OVERVIEW OF PRESENTATION

Introduction
Community Planning and Sustainability Department Director David Driskell introduced the Climate Commitment discussion, emphasizing three themes:

- Addressing climate change has been a major community priority and will continue to be an area of extensive action for many years to come.
- Boulder is an active participant at both a national and international level in developing the role of cities in addressing this critical issue.
- The appropriate recognition of the perils of climate change should not cause us to lose sight of the enormous opportunities that are available to those communities that become leaders in this field and can benefit from developing and exporting viable options and solutions to this major challenge.

Overview of the Proposed Climate Commitment Goal and Strategy
Senior Environmental Planner Brett KenCairn provided an overview of the analysis and strategy development staff has conducted over the past two years in developing a proposed emissions reduction goal and associated strategies for achieving that goal. Four summary points were provided to encompass the major conclusions derived from this effort. These are:

1. There is a plausible path to an 80% GHG emissions reduction by 2050.
2. Achieving this scale of reduction requires transformation of our entire energy system—electricity, natural gas & petroleum.
3. This transformation is leading to new roles for the public sector, especially around developing new ways to catalyze innovation and clean energy economic development.
4. Climate stabilization will require energy system change and focused action on resource use and ecosystem management & restoration.

The Emissions Reduction Goal -- At the 2013 Council Study Session, staff was given preliminary direction to explore the development of emissions reduction strategies based on a goal of reducing greenhouse gas (GHG) emissions by 80% or more by 2050, and appropriate near-term targets. At that time, staff also proposed the development of a more robust and comparable GHG inventory system that would serve as the basis for measuring progress towards this goal.

During this Study Session and as a part of the Study Session memo, staff provided an update on the recently completed greenhouse gas (GHG) emissions inventory which includes a change of baseline years from the original 1990 to 2005. The ongoing issues in data gathering caused by the current energy data reporting restrictions created by both the PUC and Xcel internal policies were briefly discussed to underscore the ongoing challenges that the city will likely face in conducting future inventories.

Council will be asked to formally adopt the goal in the first quarter of 2016 following a process of community outreach and engagement, as described later in the study session presentation.

Clean Energy Systems Transformation -- As part of this discussion, staff reviewed the emissions source analysis associated with the most recent 2012 inventory, noting that over 95% of the city's accounted for emissions come from energy related activities. This analysis was then used to illustrate two important factors: 1) the proportion of emissions coming from each energy source—electricity (53%), natural gas for thermal uses (15%), and petroleum (31%); and 2) how much of Boulder's energy comes from clean sources. This analysis indicates that less than 10% of Boulder's overall energy usage currently comes from clean energy sources. To achieve a deep emissions reduction, three core areas of action are necessary:

1. Reduce demand--Maximize productivity and efficiency of electric uses to minimize additional generation capacity needed
2. Decarbonize Supply
   - 100% Clean Electricity Source
   - 80% or greater retirement & conversion of-NG
   - 80% or greater retirement/conversion-petro
3. Build energy resilience

Clean Energy Replacement – To evaluate the viability of transitioning to an 80% or greater clean energy system, staff conducted a preliminary analysis of the total community energy usage from all sources—electricity, natural gas and petroleum. This total energy need was converted to an electricity equivalent[1] and estimated to be in the range of 285-380 MW. The significant energy efficiency measures now being implemented and adopted—Energy Smart, Smart Regs, accelerated energy codes, Boulder Building Performance Ordinance—could reduce this total demand significantly. Using this as the baseline of energy need, staff then explored the total renewable energy available to Boulder from solar, wind and ground source energy alternatives. Based on recently completed assessments by NREL and a firm specializing in solar capacity analysis, Boulder's total rooftop-only solar capacity was found to be over 500 MW. A DOE assessment of wind capacity for the state of Colorado reports a total capacity of over 300,000MW. A preliminary assessment of the ground-source heating and cooling capacity for Boulder found that the average 7,000 sq ft lot has more than 15 times the heating and cooling energy capacity as is used by a typical Boulder residence. These findings suggest that there is more than sufficient renewable energy available to Boulder to make a transition to 80% or more clean energy.

[1] This approach is based on findings suggesting that the most viable path to a clean energy system based on current technologies is through converting most energy uses to electricity.

Current Energy Programs – Staff provided a brief overview of the potential for the city's existing energy programs to achieve an 80% emissions reduction goal. This analysis used two electricity scenarios—an existing electric utility scenario that projected Xcel's renewable energy portfolio in future years based on its existing published resource plan through 2037 and extending its current trend line for additional renewable energy acquisitions through 2050. The other scenario utilized was an electric utility that implemented a 100% renewable energy portfolio by 2050. The existing utility scenario and aggressive implementation of the city's existing energy programs was estimated to achieve a 54% emissions reduction by 2050. Reaching the full 80% emissions reduction goal being proposed required the combination of full implementation of city energy efficiency and transportation management programs <u>and</u> an electric utility with a 100% renewable energy portfolio.

Pilot Programs – Staff provided a brief overview of the 15 different energy related pilot projects currently underway in the city. Two of these were highlighted

<u>Mapdwell Solar Capacity Tool</u>—Staff provided Council with a demonstration of the new solar capacity tool that provides the community with web-accessible software that shows the solar capacity of every building in the community. This tool also provides preliminary information about the costs and carbon emissions reduction potential for each system. The tool was released to the community in mid-August.

<u>Natural Gas Replacement</u>—Staff and a representative from a local residential energy analysis business called Snugg Home described a new initiative funded through a grant form the Carbon Neutral Cities Alliance to identify strategies to replace current natural gas uses for heating and cooling applications. This initiative will utilize existing city and County data to develop preliminary assessments of the energy usage of every building in the city as well as an estimate regarding the projected replacement cycles for existing natural gas using appliances based on permit information. This approach will enable the city to develop both programs and outreach that support households and businesses in developing proactive plans to replace these appliances with renewable energy supportable alternatives.

New Climate Commitment Framework –Following these energy focused presentation elements, staff described the new framework for the Climate Commitment which includes sections on energy, resource use and ecosystems. One activity area was highlighted in both the resource use and ecosystems action areas. While energy will be the primary focus of the city's programs in the near future, action in these other two areas is underway and will be a growing focusinto the future.

<u>Community Engagement</u>

Staff and members of a community-based initiative called Climate Culture Collaborative (C3) presented an outline of the planned outreach and engagement activities that will take place over the remainder of 2015. The representatives of C3 have already conducted an initial community mapping exercise which has identified over 80 groups working on activities related to climate change and energy. An initial focus of their work will be to assist the city in creating active linkages with these initiatives and more effectively coordinating activities between them.

Questions for Council

1. Does Council support the proposed emissions reduction goal of 80 percent below 2005 levels by the year 2050; the overall framing and strategies associated with Boulder's Climate Commitment; and the proposed targets and actions identified as the focus of city efforts in the 2015-2020 time period?
2. Are there key emissions reduction actions not represented in the city's current programs and strategies that should also be considered?
3. Does Council have feedback and/or additional ideas on the plan for communications and engagement as outlined in the Climate Commitment Communications?

COUNCIL RESPONSES TO STUDY SESSION QUESTIONS

The 80% Emissions Reduction Goal

- All of the Council members expressed support for the long-term goal though many indicated that a 2050 timeframe was too far out to be effective for fostering effective action in the short term.
- Several Council members expressed a desire to see a shorter timeframe to achieve the emissions goal.

Short-term Targets

- The importance of clear and actionable shorter term targets was repeatedly noted as being of equal or greater importance to the long-term goal.
- At the same time, one Council member cautioned that certain ways of setting targets could penalize or discourage actions such as new high efficiency data centers that are a net-positive benefit to overall emissions but potentially increase local emissions because they take place within our jurisdiction even if they are replacing much less efficient centers that were built in other locations. This concern was summarized in this way: "When something good gets measured as something bad, there is something wrong with the measurement technique."
- As part of setting targets and goals, clarify what we have control over and what we don't have control over .

Determining Program Priorities

- Staff was encouraged to continue to use specific cost/benefit analysis to determine which actions result in the most significant emissions reduction benefits based on the resources invested to determine how to choose between program actions.

Non-Energy Related Climate Actions

- Several Council members emphasized the importance of including waste and consumption factors and encouraged staff to find ways to formally integrate this into the emissions accounting program.
- Several Council members emphasized the importance of ecosystems and identifying ways to utilize the substantial ecological assets the city has to explore ways to support sequestration initiatives.

Community Engagement

- A number of Council members stressed the value of creating individual/household/business level action plans.
- Several Council members stressed involving young people similar to the way the recycling ethics were developed.
- One Council member encouraged getting households and families involved through neighborhood challenges.

Additional Innovation

A number of ideas were discussed around how to continue to foster innovation and effective actions including:

- Keep people focused on what could be done e.g. local microgrids, energy independence etc.
- Identify where rules need to be changed to enable the community to take proactive actions:
    - Local solar gardens
    - Microgrids
    - Transactional energy
- Develop a local carbon offset fund to support projects.
- Identify how land use can support reducing emissions.
- Make sure programs that can have a significant benefit to emissions reduction (e.g., traffic lane right sizing) are fully recognized as part of the climate plan.
- Explore the full range of options around thermal replacements including solar thermal and biomass.
- Explore development of Time of Sale requirements around clean energy upgrades.

Equity

Several Council members emphasized the importance of considering equity issues including:

- Acknowledge that to address climate change we need to address poverty.
- Make sure our strategies are accessible to all members of our community.

NEXT STEPS

1.	Community Outreach and Engagement	Sept. 2015-January 2016
2.	Strategy refinement	January 2016—Feb 2016
3.	Presentation of Final Goal and Strategy To Council	March 2016
4.	Community Climate Commitment Action Campaign	April—December 2016

CORRECTION TO COUNCIL MEMO

In the memo presented to Council for the Study Session several errors were found on page 4 in a sidebar summary of the city's 2012 greenhouse gas inventory. The corrected summary figure is shown below:

Revised GHG Inventory summary figure from page 4 of July 30th, 2015 Climate Commitment Study Session Memo:

2012 Community GHG Inventory
Key Findings

- Overall emissions increased slightly (↑~1%) between 2005-2012
- During the same period, overall employment increased (↑3%) and economic activity grew (↑30%)
- Emission reductions were identified in several sectors, including residential (↓14% per household), ground transportation (↓8%) and waste (↓8%)
- Emissions increased in the commercial and industrial (C&I) sectors, up by approximately 2%.

C&I emissions growth was likely the result of significant increases in business activity and the addition of medical marijuana grow facilities, new data centers, and other new institutional and industrial processes such as CU's cogeneration plant being off-line in 2012 (resulting in increased electricity use for CU).

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE
Consideration of a motion to accept the study session summary from August 11, 2015 on the Draft 2016-2021 Capital Improvement Program (CIP).

PRESENTERS:
Jane S. Brautigam, City Manager
Peggy Bunzli, Budget Officer
Jean Gatza, Sustainability Planner
Jeff Arthur, Director of Public Works for Utilities
Tracy Winfree, Director of Open Space and Mountain Parks

EXECUTIVE SUMMARY

The purpose of the August 11 Study Session was to present the Draft 2016-2021 CIP, present the recommendations made by boards and commissions upon their review of the document, and receive council's feedback on the following items covered in this year's CIP:

- Flood Recovery Projects for Open Space and Mountain Parks
- Capital issues related to the Utilities Division of Public Works
- 2016-2021 CIP projects
- Proposed funding for 2016-2021 CIP projects
- Proposed 2016 projects, representing 2016 Recommended Budget capital investment.

STAFF RECOMMENDATION

Suggested Motion Language:
Staff requests council consideration of this matter and action in the form of the following motion:

Motion to accept the study session summary of the Aug. 11, 2015 Study Session included in this agenda item as **Attachment A.**

BACKGROUND
The background information for this topic can be found in the draft CIP document and Study Session memo.

NEXT STEPS
Based on input received at the study session, staff prepared additional information, which was included in the Sep. 8, 2015 study session packet on the 2016 Recommended Budget.

ATTACHMENT
A. Summary of the August 11, 2015 City Council Study Session

Study Session Summary
August 11, 2015
Draft 2016-2021 Capital Improvement Prpgram (CIP)

PRESENT
Members of City Council: Matt Appelbaum, Macon Cowles, Suzanne Jones, George Karakehian, Tim Plass, Sam Weaver, and Mary Young

Staff Members: City Manager Jane S. Brautigam, Budget Officer Peggy Bunzli, SustainabilityPlanner Jean Gatza, Director of Public Works for Utilities Jeff Arthur, Director of Open Space and Mountain Parks Tracy Winfree, Land and Visitor Services Division Manager Jim Reeder, Principal Transportation Engineer Gerrit Slatter, Flood Recovery Coordinator for Finance Joel Wagner, Director of Information Technology Don Ingle, Fire Chief Michael Calderazzo, Parks Capital Investment Manager Jeff Dillon, Facilities and Fleet Manager Joe Castro

PURPOSE
The purpose of this Study Session was to present the Draft 2016-2021 Capital Improvement Program (CIP) to the City Council. The study session provided council with an opportunity to ask questions and comment on recommended capital projects in the Draft 2016-2021 CIP prior to the City Manager's submission of the 2016 Recommended Budget to the City Council in late August.

PRESENTATION OVERVIEW
Introduction
City Manager Jane Brautigam opened the meeting by introducing the topic of the study session, thanking staff for their collaborative work on the CIP, and introducing Peggy Bunzli, Jean Gatza, Jeff Arthur and Tracy Winfree as presenters., and introducing a video on the 2016-2021 CIP.

Peggy Bunzli gave a brief introduction of the agenda for the presentation. The agenda included the following elements:

- CIP Video
- Financial highlights
- Utilities Rates
- Next Steps
- Council Discussion

A video was played that illustrated highlights of 2016-2021 CIP projects as well as projects completed in 2015. Projects highlighted in the video were grouped by project category. The video can be seen here: Capital Improvement Program Update 2016-2021. Below is a list of some of the highlights of the video.

Community, Culture and Safety Tax

- In November 2014, Boulder voters passed the Community, Culture and Safety Tax. This sales and use tax increase is anticipated to fund an estimated $27 million dollars of improvements over 3 years. The projects will improve community spaces, bolster cultural projects and organizations, and enhance safety in and around the downtown and University Hill. Near term work will include University Hill tree irrigation improvements in summer 2015. During the next 3 years, there will be significant improvements in the Civic Area, University Hill, along Boulder Creek, at the Dairy Center for the Arts, and at the Museum of Boulder.

Capital Improvement Bond

- In 2011, City of Boulder voters approved a $49 million dollar Capital Improvement Bond to fund more than 100 capital projects that address deficiencies and high priority infrastructure improvements throughout the city. So far, more than 90 percemt of the projects have been completed.

September Flood

- The September flood caused many new unanticipated repair and replacement projects to the city's infrastructure and capital facilities. Citywide flood recovery costs are currently estimated at approximately $28 million. While full recovery is likely to take years, about 75percent of the more than 300 flood-related projects have been completed so far. Sediment removal and repairs to the city's 15 drainageways have been completed, as well as repairs to over 60 open space trails and trailheads. Some of the most visible projects are the completed improvements to the Eben G. Fine Park, Sanitas Valley Trail, and Evert Pierson Kids' Fishing Pond along Boulder Creek.

Capital Maintenance and Enhancement Projects

- **Wonderland Creek and Fourmile Canyon Creek**: Enhancements in conjunction with flood mitigation include creating a new multi-use path for pedestrians and bicyclists, and constructing three new underpasses.
- **Betasso Water Treatment Facility**: This $24 million project will fund significant rehabilitation and replacement of the aging electrical and mechanical equipment, and improve the pretreatment capabilities. This project is scheduled to begin in 2016.
- **Emerald Ash Borer**: A response plan is currently in development to slow the spread of the pest and remove and replace affected trees to re-establish streetscapes and park areas.
- **Network and Server Hardware**: in support of the city's key business and customer service functions, replacements and enhancements to the city's network and server hardware are now included in the annual CIP. This includes replacement of key business systems, enhancements to server and storage infrastructure, and other hardware and software upgrades.
- **North Boulder Recreation Center:** pool repairs and enhancements were identified as part of a 2014 Aquatics Study. Additional indoor aquatic facility enhancements and "watertainment" upgrades at various facilities are planned in future years.

New Facilities and Assets

- **Baseline Road Underpass**: Construction of an underpass between Broadway and 27th Way will begin later this year, supported by significant federal and state funding. The project will replace the current at-grade crosswalk on Baseline Road, construct a new multi-use path, and improve sidewalks.
- **Boulder Junction**: Development continues, with completion of the north and south sides of the Pearl Parkway multiway boulevard and extension of the multi-use path to Foothills Parkway. The new Junction Place Bridge over Goose Creek is scheduled to open in August 2015.

Land and Asset Acquisition

- **Open Space Land Acquisition:** In 2015 the Oliver and Schnell homestead properties were acquired. Funding for acquisition is recommended to continue at $5.4 million per year, in alignment with the department's acquisition plan.

Background on CIP
Peggy Bunzli reviewed the purpose of the CIP, explained how the CIP fits in to the larger strategic planning framework of the city, and discussed the various opportunities for public and board input throughout the process.

The six year CIP is both a planning and a financial guide, prepared in coordination between Planning and Budget each year. It is a collaborative effort with many people from across departments coming together to build this guide to the city's investment into its infrastructure and the community. Priorities and timing are coordinated using the CIP Guiding Principles (p. 2 of the CIP). Departments work together to determine coordination of projects in order to maximize leveraged funding, find cost savings and reduce impact to the community during the time the work is being done.

The CIP provides detailed descriptions of projects over a six year planning period, and the first year of the CIP, serves as the tool for building the capital portion of the 2016 overall City of Boulder budget.

The CIP is one part of the city's overall planning and financial strategy, designed to meet the goals of the community. Under the umbrella of the Sustainability Framework, the CIP is developed in line with the Boulder Valley Comprehensive Plan, department strategic and master plans and Priority Based Budgeting. There are a number of opportunities for public input and feedback throughout the process, including outreach through master planning efforts, Board and Commission meetings and public hearings of the budget. Before coming to council, the CIP is reviewed first by Boards and Commissions and then by the Planning Board. The various Board and Commission recommendations, excluding the recommendation of Planning Board, to council were included in the CIP memo to council. The Planning Board recommendation was presented to Council during the study session.

Financial Highlights of Draft 2016-2021 CIP
Peggy Bunzli discussed the financial highlights, particularly illustrating the 2016 funding level as well as funding for major projects in the 2017 to 2021 timeframe.

Total funding for the 2016-2021 CIP is proposed at approximately $408 million, spread out over 159 projects. Total funding for 2016 is proposed at approximately $74 million, spread out over 114 projects. The large number of projects in 2016 relates, in part, to continued flood recovery work, and Transportation projects funded by the .15 dedicated sales tax approved by the voters in 2013.

Peggy Bunzli provided an update of the 2011 Capital Improvement Bond. As of the study session date, 14 percent of projects were under construction, and 86 percent were complete. Currently 98 percent of funds have been expended. All funds must be spent by March 2017.

Peggy Bunzli gave a brief overview of the Community, Culture and Safety tax. In November 2014, Boulder voters approved the Community, Culture and Safety tax, a three-year 0.3 percent sales and use tax increase. The ballot language projected that the revenue from this temporary tax increase will yield $27.6 million for specific projects to improve community spaces, bolster cultural projects and organizations, and enhance safety.

Peggy Bunzli discussed the financial impact of the September 2013 flood on the city and CIP. Estimated damages are at $28 million.

Open Space and Mountain Parks Flood Recovery Highlights of Draft 2016-2021 CIP
Tracy Winfree discussed the OSMP Flood Recovery efforts in the CIP. Since the 2013 floods, OSMP has completed more than 110 rebuilding projects. Projects completed in 2015 include the rebuilding of the Gregory Canyon access and the Sanitas Valley Trail. OSMP has about 60 flood-recovery projects

(FEMA, non-FEMA) on the drawing board. In 2015 and 2016, OSMP will design, start or complete more than 15 large rebuilding projects. Those projects include rebuilding Chapman Drive, repairs to the South Mesa and the Shanahan Trails and numerous other repair projects. Flood recovery is expected to continue through 2017.

Utilities Highlights of Draft 2016-2021 CIP
Jeff Arthur discussed highlights of the proposed 2016-2021 water, wastewater, and stormwater/flood management CIP and associated rate increases.

A four percent increase in Stormwater is proposed for 2016, primarily to address construction cost escalation. This increase is consistent with projections provided last year to support identified mapping and mitigation priorities.

A five percent increase in Wastewater rates is proposed for 2016, primarily to address construction cost escalation. The increase is consistent with projections provided last year and will maintain progress on Council supported priorities including rehabilitation of the wastewater collection system and a main interceptor sewer.

An eight percent increase in Water rates is proposed for 2016. This increase is consistent with projections provided last year and primarily supports rehabilitation of aging infrastructure including the Betasso Water Treatment Facility, dams, and pipelines.

The estimated impact of the three rate increase on the monthly bill for a typical single family residential customer is approximately $5. Impacts to other customer types vary based on water use and lot characteristics.

Conclusion
Peggy Bunzli concluded the presentation by noting the next steps in the budget process, including dates of the 2016 Recommended Budget study session(s) in September and 2016 Budget hearings in October.

DISCUSSION
Following the presentation, City Council discussed the OSMP, Utilities, and all other portions of the 2016-2021 CIP that were addressed by staff.

The following general ideas and themes emerged from council discussion of the OSMP proposed capital investments:

- Denver Water is leading an Intergovernmental Agreement (IGA) to establish and operate an environmental pool to store 5,000 acre-feet of water shared between the City of Boulder and the City of Lafayette to be released for instream flow purposes for the benefit of the water dependent environment of South Boulder Creek. Boulder's share ($2 million) is in the 2016 CIP, and is contingent on construction involving the expansion of the Gross Reservoir.
- It is anticipated that OSMP will receive an estimated $5.5 million from FEMA in response to the September 2013 flood

The following general ideas and themes emerged from council discussion of the Water, Stormwater/Flood Management, and Wastewater/Sanitary Sewer System proposed capital investments:

- Rehabilitation and replacement of dams is being prioritized based on condition, risk, and importance to water supply. Some dams identified as in poor condition are not funded in the near term CIP due to the need to prioritize those with higher risk or a more critical water supply function. The Boulder Feeder Canal would continue to operate and serve other customers even if

the Carter Lake Pipeline (Southern Water Supply Pipeline II) is constructed. The Carter Lake Pipeline will serve the City of Boulder and Left Hand Water. The proposed pipeline primarily follows the alignment of the Southern Water Supply Pipeline I and does not go through the Town of Lyons. The pipeline corridor would not address the desire for a connection between Boulder and Lyons. Northern Water, which owns and operates the Boulder Feeder Canal, has indicated that they will not allow a trail adjacent to the canal, primarily due to safety concerns.

- The projected 2018 increase in stormwater rates coincides with potential construction of flood mitigation on South Boulder Creek. If the project is not constructed, the rate increase could be adjusted or Council could choose to fund other flood mitigation priorities.
- The 63rd Street Water Treatment Facility could theoretically deliver water to the entire city in an emergency situation, but cannot meet peak demands and would require water restrictions. Staff is continuing to evaluate how operation, using only the 63rd Street facility, might impact the water distribution system since changes in pressure and flow could cause damage.
- The $10 million for the replacement or rehabilitation of the sewer interceptor in 2015 is anticipated using the existing alignment. Issues associated with the significant rain event in May reinforced staff concerns about the vulnerability of the existing alignment and resulted in a shift in focus to identifying an alternative alignment. The project has been postponed until 2016 to allow for potential property acquisition. Staff will continue to monitor the condition of the existing interceptor and will make adjustments to scope and timing if necessary.

The following general ideas and themes emerged from council discussion on the overall 2016-2021 CIP:

General

- Council asked about collocation opportunities regarding Fire Station #6 and Boulder Rural Fire Station. Staff explained there are obstacles impeding co-location. Discussions of such possibilities have been in place for over a decade, but the two entities are dispatched by different agencies on different communication systems. Moving to the same communication center would be a multi-million dollar project, and there would need to be a cost sharing agreement developed. Additional information was provided with the Sept. 8 memo.
- Council asked why $700,000 is still budgeted in 2019 for the West Senior Center with the Civic Area plans being considered. Staff explained that funding will be adjusted as necessary, as both the Civic Area and Human Services plans become finalized.
- Council requested clarification of the unfunded University Hill Lighting project. Staff noted that the lighting funded by the Community, Culture and Safety Tax is high density residential and pedestrian scale lighting, as opposed to the lower density residential lighting in the unfunded CIP project.

FEMA

- The Inspector General will soon commence a preliminary audit of the City of Boulder, with a full audit to come after.
- The city is ensuring that all paperwork is in order for the audit, but in the event that FEMA requests a return of money, the city has funds set aside.
- The city should be reimbursed $17.4 million from FEMA, $4 million in other grants, and $2.8 million in insurance.

Transportation

Staff provided the following information related to Transportation projects:

- Regarding the design of the 19th Street corridor from Norwood to Sumac, a study examining a proposed extension to Yarmouth would incur a cost impact of $20,000 to $30,000. The project would include a sidewalk, and a look at complete street opportunities for construction.

- The passage of the dedicated sales tax revenue for the Pavement Management Program in 2013 allows for the city to work toward maintaining an average pavement Overall Conditions Index (OCI) of 75 to 80 (out of 100) for all streets in Boulder.

Parks and Recreation

- Council inquired about the location of a replacement facility for the Mapleton Ball Fields if Fire Station #3 were to move to that location. Staff indicated that three fields are already planned on being built at Stazio. In addition, there are options to redevelop the community park in the Mapleton Area.
- Staff informed Council that Aquatic Facilities and Athletic Fields have been studied in the past few years. Regarding the fields, there are options on either enhancing existing grass surfaces for the athletic fields, or using synthetic turf. The highlighted deficiencies will be addressed by FAM, and enhancements will also be addressed, including watertainment. The studies also addressed a need to replace Scott Carpenter Pool, which has reached the end of its useful life. However, the Parks and Recreation CIP does not have the capital to address replacement at this time.

Follow up Information

Additional information regarding the Planning Board review of the Draft 2016-2021 CIP was included as Attachment B in the Sep. 8 Budget Study Session memo to council. Additional information on CIP projects that reduce energy consumption or produce energy will be provided to Council and Planning Board. Staff is compiling this information and expects to have it available by the Oct. 6 First Reading of the 2016 Recommended Budget.

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE:

Two matters related to a property located at 747 12th Street:

A. Third reading and consideration of a motion amending and adopting Ordinance No. 8029 designating the building and property at 747 12th St., to be known as the **Cowgill Property**, as an individual landmark under the city's Historic Preservation Ordinance.

Owner: 747 Twelfth Street, LLC
Applicant: Landmarks Board

B. Second reading, and consideration a motion adopting ordinance No. 8075 to approve the subdivision of one building site into two building sites for a property generally described as 747 12th Street and as an amendment to Title 9, "Land Use Code," to waive or modify certain land use regulations including standards related to the minimum lot size, setbacks, and building separation in order to meet city historic preservation objectives, and setting forth related details.

PRESENTERS:
Jane S. Brautigam, City Manager
David Driskell, Executive Director of Community Planning & Sustainability
Susan Richstone, Deputy Director of Community Planning & Sustainability
Tom Carr, City Attorney
David Gehr, Senior Assistant City Attorney
Lesli Ellis, Comprehensive Planning Manager
James Hewat, Senior Historic Preservation Planner
Marcy Cameron, Historic Preservation Planner

EXECUTIVE SUMMARY:

The purpose of this item is for City Council to determine whether the proposed individual landmark designation of the historic resources at 747 12th Street meet the purposes and standards of the Historic Preservation Ordinance *(Sections 9-11-1 and 9-11-2, B.R.C. 1981)*. The property owner is in support of the designation. In addition, the City Council is being requested to approve the subdivision of the property into two lots by ordinance.

If approved, the landmark ordinance (see **Attachment A**) would result in the designation of the building and property as an individual landmark. If the subdivision ordinance is approved, the property at 747 12th Street would be divided into two equally sized lots (see **Attachment B).** The findings are included in each of the ordinances.

On May 28, 2015 the City Council held a quasi-judicial hearing to determine whether the proposed individual landmark designation of the property at 747 12th St. meets the purposes and standards of the Historic Preservation Ordinance *(Sections 9-11-1 and 9-11-2, B.R.C. 1981)*, in balance with the goals and policies of the Boulder Valley Comprehensive Plan. The City Council continued the public hearing to provide time for the owners/owners' representative to review emails that City Council had received since the March 3rd hearing.

On June 16, 2015, the City Council met to adopt findings. At the hearing, the City Council closed the public hearing and directed city staff to meet to explore options for the development of the property while preserving its historic resources. Subsequently, the prospective buyers chose not renew their option to purchase the property.

Since the June 16 meeting, city staff and the property owners have met five times to discuss potential options for development of the site and hosted a neighborhood meeting to gather feedback on the options. Options A, B, C and D were developed through the course of the discussions. For the option(s) referenced, see City Council agenda item from September 1, 2015 in the correlating document titled, "*5A_747 12th Street Landmarking.pdf*".

- Option A reflected the development and landmark designation of the site under existing regulations for the approximately 12,500 sq. ft. lot, as presented to the City Council on May 28, 2015.
- Option B proposed landmark designation and subdivision of the lot with Floor Area Ratio (FAR) and Building Coverage limitations calculated based on two separate lots.
- Option C proposed landmark designation and subdivision of the lot with the existing FAR/Building Coverage limitations divided between the two lots.
- Option D proposed landmark designation of the south lot and garage and subdivision with an FAR/Building Coverage limit between Options B and C.

Staff and the property owner support Option C, which proposes subdivision of the lot, landmark designation of the south lot and the garage and a portion of land around it on the north lot. The proposal provides for the square footage currently allowed to be divided between the two lots with the ability to transfer up to 330 sq. ft. between the lots, and for staff review of proposed new construction on the new north lot using the *General Design Guidelines for Boulder's Landmarks (New Free-Standing Construction)*, to ensure compatibility with the landmark and the immediate streetscape.

On September 1, the City Council approved the second reading of the Landmark designation ordinance for 747 12th Street and the first reading of the ordinance to subdivide the property.

STAFF RECOMMENDATION

Suggested Motion Language:

A. Motion to adopt Ordinance No. 8029, with the amendments shown in designating the subdivided south half of the property at 747 12th St., to be known as the Cowgill Property and the garage with a two foot boundary around that building on the subdivided north half of the property to be known as the Cowgill Garage as individual landmarks under the City of Boulder's Historic Preservation Ordinance.

B. Motion to adopt the following findings and conclusions:

FINDINGS AND CONCLUSIONS

The City Council finds, based upon the application and evidence presented, that the proposed designation application is consistent with the purposes and standards of the Historic Preservation Ordinance, in balance with the goals and policies of the Boulder Valley Comprehensive Plan, and:

1. The proposed designation will protect, enhance, and perpetuate a building reminiscent of a past era and important in local and state history and provide a significant example of architecture from the past. Sec. 9-11-1(a), B.R.C. 1981.
2. The proposed designation will maintain an appropriate setting and environment and will enhance property values, stabilize the neighborhood, promote tourist trade and interest, and foster knowledge of the city's living heritage. 9-11-1(a), B.R.C. 1981.
3. The buildings proposed for designation have exceptionally high architectural, historic and environmental significance. The property is associated with Marthana and Josephine Cowgill, who cared for tuberculosis patients in the house prior to purchasing the Mesa Vista Sanatorium; the property possesses a high level of architectural integrity as an example of architecture of that period, and the property has been identified as contributing resource to the identified potential University Hill local and National Register of Historic Places District. Sec. 9-11-2(a)(1), B.R.C. 1981.
4. The proposed designation draws a reasonable balance between private property rights and the public interest in preserving the city's cultural, historic, and architectural heritage by ensuring that demolition of buildings important to that heritage will be carefully weighed with other alternatives. The subdivision of the lot allows for redevelopment of the site in a manner that preserves the historic buildings and provides for a modern residential use. 9-11-1(b), B.R.C. 1981.
5. The provisions of proposed Ordinance No. 8029 and this Memorandum are incorporated into these findings and conclusions by this reference.

C. Motion to adopt ordinance 8075 granting authority to the approving authorities under Title 9, "Land Use Code," B.R.C. 1981, to approve the subdivision of one building site into two building sites for a property generally described as 747 12th Street and as an amendment to Title 9, "Land Use Code," to waive or modify certain land use regulations including standards related to the minimum lot size, setbacks, and building separation in order to meet city historic preservation objectives, and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

Economic: Owners of locally designated landmarked properties are eligible for state and local tax credits for approved rehabilitations and repairs, and studies have found that historic preservation adds to economic vitality and tourism. Exterior changes to individually landmarked buildings require a Landmark Alteration Certificate, issued by the Community Planning and Sustainability Department at no charge. The additional review process for landmarked buildings may, however, add time and design expense to a project.

Environmental: The preservation of historic buildings is inherently sustainable. Owners of individually landmarked buildings are encouraged to reuse and repair as much of the original building as possible when making exterior alterations, thereby reducing the amount of building material waste deposited in landfills. City staff can assist architects, contractors and homeowners with design and material selections and sources that are environmentally friendly. Also, the city's Historic Preservation website provides information on improving the energy efficiency of older buildings.

Social: The Historic Preservation Ordinance was adopted to "…enhance property values, stabilize neighborhoods, promote tourist trade and interest, and foster knowledge of the city's living heritage." Section 9-11-1 (a), B.R.C., 1981. The primary beneficiaries of historic designation are the property owners of a historic landmark and adjacent neighbors, who are ensured that the character of the immediate area will be protected through the design review process. The greater community also benefits from the preservation of the community's character and history.

OTHER IMPACTS

Fiscal: The designation of individual historic landmarks is an anticipated and ongoing function of the Historic Preservation Program.

Staff Time: This designation application is within the staff work plan.

BOARD AND COMMISSION FEEDBACK

On January 7, 2015, the Landmarks Board voted (4-0, **F. Sheets** absent) to recommend to City Council that the property at 747 12th St., to be known as the Cowgill Property, be designated as a local historic landmark, finding that it meets the standards for individual landmark designations in sections 9-11-1 and 9-11-2, B.R.C. 1981, and is consistent with the criteria specified in section

9-11-5(c), B.R.C. 1981. Staff recommended that the Landmarks Board recommend landmark designation for the property.

At the subsequent City Council hearings, representatives of the Landmarks Board have spoken in support of preservation of the property.

PUBLIC FEEDBACK

On July 21, 2015, a neighborhood meeting was held to gather feedback on Options A, B, C and D. Approximately 30 people attended the meeting. Staff and the property owners gave a short presentation on the options and the attendees offered verbal and written feedback. For the option(s) referenced, see City Council agenda item from September 1, 2015 in the correlating document titled, "*5A_747 12th Street Landmarking.pdf*".

BACKGROUND

This designation, initiated by the Landmarks Board, was initially opposed by the property owners. On October 1, 2014, the Landmarks Board passed a resolution to initiate landmark designation and on January 7, 2015, the Landmarks Board voted (4-0, **F. Sheets** absent) to recommend to City Council that the property at 747 12th St. be designated as a local historic landmark.

- The first reading of the ordinance was approved by City Council on Feb. 3, 2015. On March 3, 2015 the City Council held a quasi-judicial hearing to determine whether the proposed individual landmark designation of the property at 747 12th St. meets the purposes and standards of the Historic Preservation Ordinance *(Sections 9-11-1 and 9-11-2, B.R.C. 1981)*, in balance with the goals and policies of the Boulder Valley Comprehensive Plan.
- The City Council continued the public hearing to provide time to visit the property and directed staff to explore options for development of the property with the owners. The City Council members made site visits on March 3, 2015 and April 1, 2015.
- On April 14, 2015 the City Council met to disclose *ex parte* contacts as a result of the site visits and closed the public hearing with an understanding that findings of fact on the case at a special City Council meeting to be held at a later date.

On May 28, 2015 the City Council held a quasi-judicial hearing to determine whether the proposed individual landmark designation met the purposes and standards of the Historic Preservation Ordinance. The recommendation included 3D modeling to indicate the size of an addition to the historic house if the full floor area for the RL-1 lot was maximized. For the option(s) referenced, see City Council agenda item from September 1, 2015 in the correlating document titled, "*5A_747 12th Street Landmarking.pdf*".

- The City Council continued the public hearing to provide time for the owners/owners' representative to review emails that City Council had received since the March 3rd hearing.
- On June 16, 2015 the City Council closed the public hearing and encouraged staff and the property owners to continue discussions about redevelopment and preservation of the historic resources. Subsequently, the prospective buyers chose not renew their option to purchase the property.

Comprehensive Planning and Sustainability and City Attorney Office staff subsequently met with the property owners on several occasions and together developed three additional scenarios

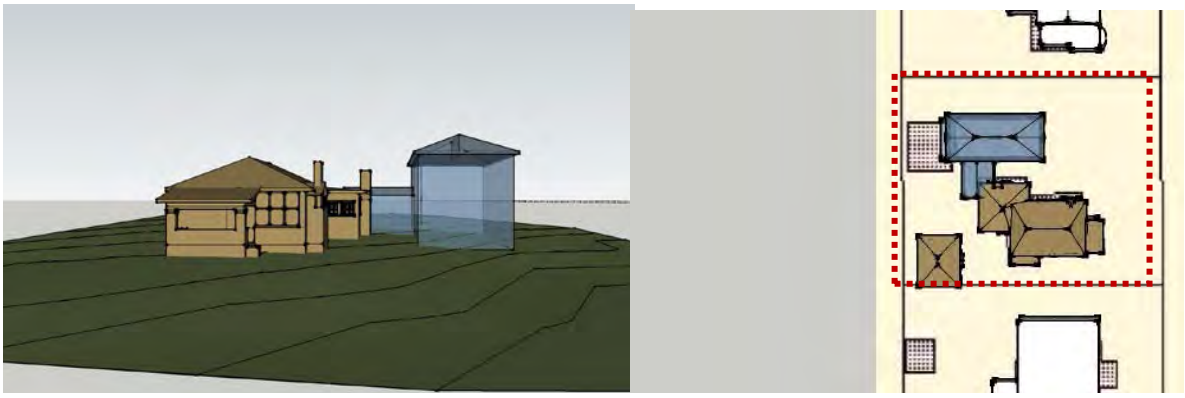
for the development and preservation of the property, each of which proposes the subdivision of the existing 12,478 sq. ft. lot. For the option(s) referenced, see City Council agenda item from September 1, 2015 in the correlating document titled, "*5A_747 12th Street Landmarking.pdf*".

- On July 21, 2015 the owners together with staff held an open house for the public to comment on the options A through D A considerable amount of public comment was received from attendees on the options. For these options listed below, reference City Council agenda item from September 1, 2015 in the correlating document titled, "*5A_747 12th Street Landmarking.pdf*".
- Staff and the property owner support Option C, which proposes subdivision of the lot, landmark designation of south lot and the garage and a portion of land around it on the north lot, allowance for the square footage currently allowed to be divided between the two lots, and for staff review of proposed new construction on the new north lot using the *General Design Guidelines for Boulder's Landmarks (New Free-Standing Construction),* to ensure compatibility with the landmark and the immediate streetscape.

OPTIONS

Based upon discussions with the property owners about development of the property in the context of Individual Landmark Designation the following four options were developed. For the option(s) referenced, see City Council agenda item from September 1, 2015 in the correlating document titled, "*5A_747 12th Street Landmarking.pdf*".

OPTION A: Landmark Property with Modified Ordinance to Assure Maximum FAR, Allow Garage Relocation, and Describes Areas of Flexibility for New Construction (blue) (*Attachment A*) (Staff recommended option to City Council May 28th, 2015)

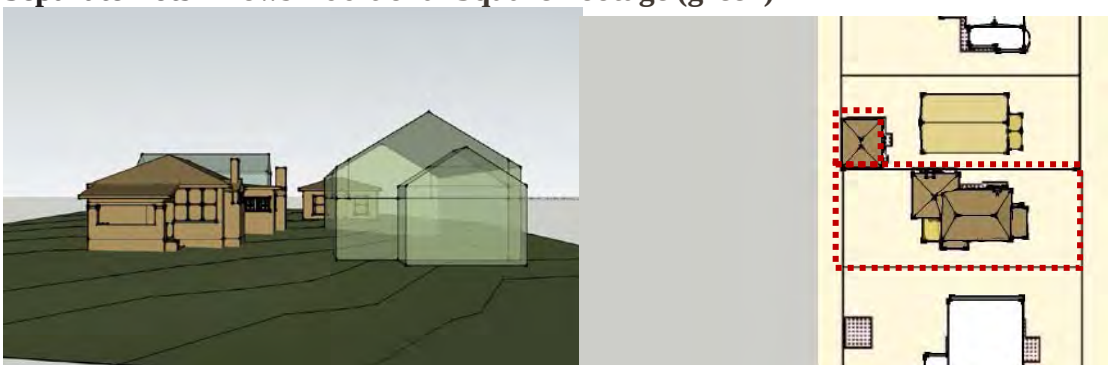


In this scenario, an addition to the existing house that would be allowed under current zoning calculations is shown. It is the same addition that was presented to City Council in May, and includes the proposed relocation of the garage to the southwest corner of the lot. The two-story, hipped roof addition nearly maximizes the allowed FAR while preserving much of the existing house. In this scenario, landmark designation of the entire lot is proposed (red dashed line); exterior changes to the existing house, including construction of an addition, would require design review.

Considerations:

- Protects historically significant portions of the house including the east wall and most of north wall of the historic northwest addition
- Results in single house of 3,872 sq. ft.
- Allows construction to maximum FAR permitted in RL-1 zoning.
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits
- Assumes relocation of historic garage.
- May result in awkward floorplan.
- Not compatible with the owners' goals.

OPTION B: Subdivision of Lot with FAR/Building Coverage Calculations Based on Two Separate Lots Allows Additional Square Footage (green)



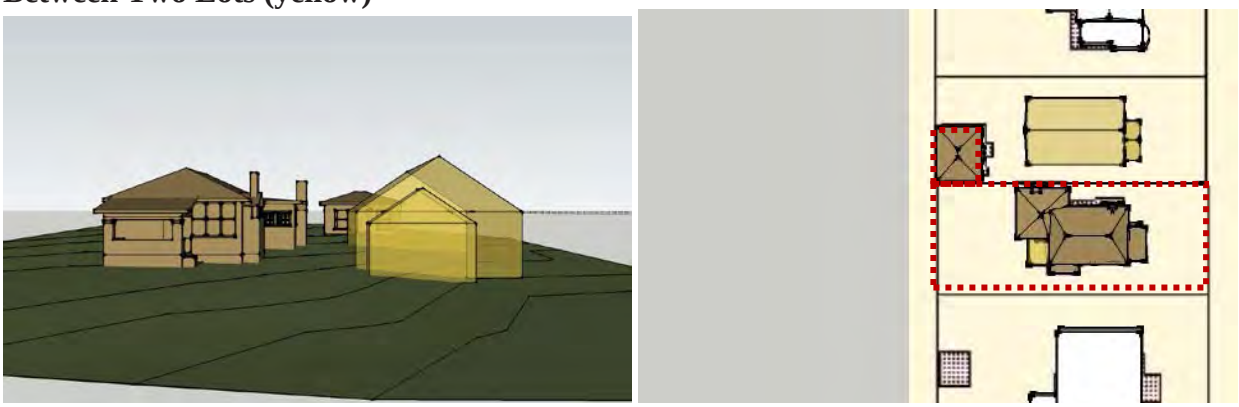
In this scenario, the lots are subdivided into two roughly equal size lots and the FAR/Building Coverage Limits are calculated separately for each lot. This would allow additional square footage than is currently permitted on the single lot. The existing house is maintained on the south lot and added onto. The north wall of the new house is located at the north side yard setback (10' from the property line) in order to provide space between the adjacent houses and preserve a view of the existing garage from 12th St. The house is shown as two stories, with a front gable roof form. The addition to the existing house as modeled is 200 sq. ft. less than the proposed maximum, but extends to the rear and side yard setbacks. In this scenario, landmark designation of the south lot and the footprint of the garage on the north lot is proposed (red dashed line).

Considerations:

- Provides for existing house and garage to be landmarked and preserved.
- Results in two 6,500 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in two houses, each approximately 3,300 sq. ft. in size.
- FAR is high for University Hill neighborhood (relatively large houses on small lots).
- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.

- Provides for redevelopment with design review of modifications to existing house and garage including possible addition(s).
- Adjacent new construction on subdivided lot could be constructed in manner that overwhelms historic house because of allowable FAR and is out of character with neighborhood (large amount of built area on small lots).
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible development regulations, permit fee waiver and state/federal tax credits
- Results in awkward landmark boundary split between two legal lots.
- Would not provide for design review of north lot by Landmarks Board unless it was landmarked.

OPTION C: Option C. Subdivision of Lot with Existing Zoning Standards Divided Between Two Lots (yellow)



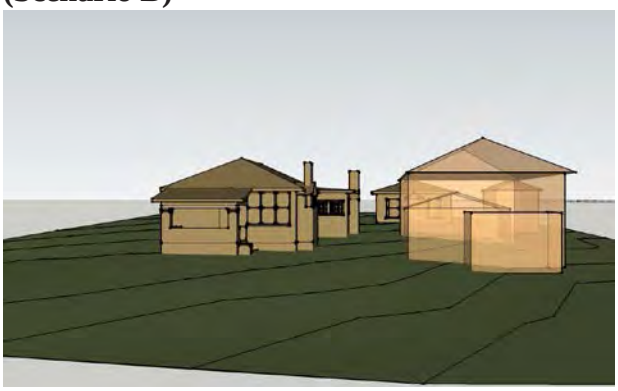
In this scenario, the lots are subdivided into two roughly equal size lots and the current FAR/Building Coverage limitations are divided between the two lots. The existing house is preserved on the south lot and added onto; if divided equally, only 61 sq. ft. of new square footage would be allocated to the south lot. As modeled, 89 sq. ft. is allocated from the north lot to provide more flexibility for the existing house. The division of the FAR is flexible in this scenario. The new house on the north lot is shown as a 1 1/2 story, front gabled house. In this scenario, landmark designation of the south lot and the area around the garage on the north lot is proposed (red dashed line); exterior changes to the existing house, including construction of an addition, would require design review. New construction on the north lot would be reviewed at the staff level using the *General Design Guidelines.*

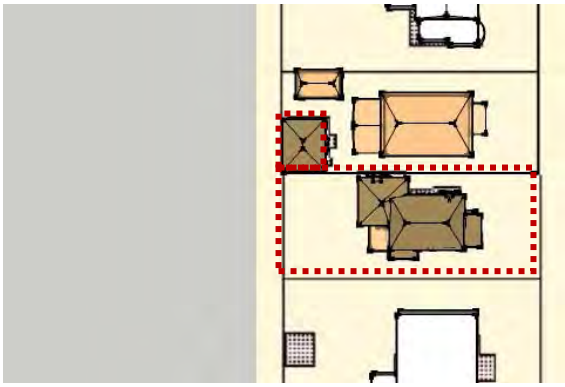
Considerations:

- Provides for existing house and garage to be landmarked and preserved. Limiting square footage would help to ensure new construction on north lot and additions to existing house and garage are appropriately scaled.
- Results in two 6,239 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in two houses of approximately 2,200 sq. ft., more in scale with traditional pattern of smaller houses on smaller lots in University Hill neighborhood (with the ability to transfer up to 200 sq. ft. from one lot to the other.
- Maintains the current FAR and does not provide additional allowable FAR.

- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.
- Provides for design review of modifications to existing house and garage including possible addition(s).
- Provides for staff review of new construction on the north lot using Section 6, *New Primary Buildings* of the *General Design Guidelines for Boulder's Historic Districts and Individual Landmarks*.
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits
- Construction of a separate house may be less obstructive to the existing house and since square footage is not any greater than Option A and it may be more in context with the neighborhood character.

OPTION D: Subdivision of Lot with Additional New Construction (orange) Allowed Above the Existing Zoning Standards (Scenarios A&C) and Below Separate Calculations (Scenario B)





In this scenario, the lot is subdivided into two lots of roughly equal size. The two-story, hipped roof building on the north lot measures approximately 2,600 sq. ft. in size. A one-car garage, measuring approximately 240 sq. ft., is located at the northwest corner of the lot. The total square footage on the new (north) lot is approximately 2,840 sq. ft., roughly between the existing allowed building size (scenarios A & C) and the proposed calculation for separate lots (scenario B). In this scenario, landmark designation of the south lot and the footprint of the garage on the north lot is proposed (red dashed lines); exterior changes to the existing house would require design review, but new construction on the north lot would not.

Considerations:

- Provides for existing house and garage to be landmarked and preserved.
- Results in two 6,500 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in 154 sq. ft. addition to existing house for 2,200 sq. ft. total on south lot and 2,600 sq. ft. new house with 240 sq. ft. new garage (in addition to preserved existing garage) on north lot.
- Provides for design review of modifications to existing house and garage including possible addition(s)

- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits
- Would not provide for design review of north lot by Landmarks Board unless it was landmarked.
- Adjacent new construction on subdivided lot could be constructed in manner that is larger than historic house because of allowable FAR.

ANALYSIS:
Over the course of several meetings, city staff and the representatives from the Johnson family together developed and analyzed the four options. This included a public open house at the property on the July 21st, 2015 where the public was invited to comment on each of the options. The public's input favored options C and D, with a significant amount of input expressing the opinion that allowing for subdivision of the property to create non-standard lots with floor area limited to near what would be allowed on the single lot split between the two new properties, and landmark designation of the south lot and garage on the north lot, seemed an appropriate way to maintain the character of streetscape and neighborhood as a whole. The Options Analysis Matrix, *Attachment C* assesses each of the options against the city's policies and regulations.

Subsequent discussions with the Johnson's have resulted in agreement that Option C with a modified landmark boundary to include the proposed south lot and landmark designation of the existing garage (with a two foot boundary around it) on the proposed north lot, and represents a reasonable balance of property rights and the public interest. The agreement also provides the ability for up to 330 sq. ft. of floor area to be transferred from one lot to the other to allow for flexibility in developing the properties. It also provides for staff level review of new construction on the north lot using Section 6, *New Primary Buildings* of the *General Design Guidelines for Boulder's Historic Districts and Individual Landmarks*.

The subdivision of a property to create two, non-standard lots is very unusual and requires the City Council to adopt a special ordinance. However, staff considers that the special circumstances of this case including the high historic significance of the property that might otherwise be lost and that the limitations on and review of new construction of the new lots, will result in compatible development in the streetscape in a manner that balances property rights and the public interest. While this is somewhat rare, legislative actions have been used in the past to help preserve structures within the city. Most recently, the houses that we're relocated from Grandview Terrace to 905 Marine St. required a required an ordinance to modify some zoning standards in order to accommodate the move of these buildings which, otherwise, would have been demolished.

ATTACHMENTS
A: Ordinance No. 8029 – Individual Landmark Ordinance with proposed amendments
B: Ordinance No. 8075 – Ordinance that permits the subdivision of the property into to lots and modifies land use regulations to permit the subdivision of the property.
C: Reference for September 1, 2015 City Council meeting memo

ORDINANCE NO. 8029

AN ORDINANCE DESIGNATING THE BUILDINGS AND PROPERTY AT 747 12TH ST., CITY OF BOULDER, COLORADO, ALSO KNOWN AS THE COWGILL PROPERTY, A LANDMARK UNDER CHAPTER 9-11, "HISTORIC PRESERVATION" B.R.C. 1981, AND SETTING FORTH DETAILS IN RELATION THERETO.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section l. The council enacts this ordinance pursuant to its authority under Chapter 9-11, "Historic Preservation," B.R.C. 1981, to designate as a landmark a property having a special character or special historic, architectural, or aesthetic interest or value.

Section 2. The City Council finds that: 1) on or about October 1, 2014, the Landmarks Board passed a resolution to initiate landmark designation for the property at 747 12th St. 2) the Landmarks Board held a public hearing on the proposed designation on January 7, 2015; and 3) on January 15, 2015, the board recommended that the council approve the proposed designation.

Section 3. The City Council also finds that upon public notice required by law, the council held public hearings on the proposed designation on February 3, 2015 and May 28th, 2015 and upon the basis of the presentations at those hearing finds that the building and the property at 747 12th St. does possess a special character and special historic, architectural, or aesthetic interest or value warranting its designation as a landmark.

Section 4. The characteristics of the subject property that justify its designation as a landmark are: 1) its historic significance is relevant to its construction in 1916, its association with the Cowgill family, who opened a convalescent home for tuberculosis patients and later operated the Mesa Vista Sanatorium, and for its association with the development of Boulder;

and 2) its architectural significance indicative of an example of a bungalow influenced house and adjacent garage, and; 3) its environmental significance for its location within the potential University Hill Historic District, which retains its residential historic character and 4); The historic value of the garages is in part based upon its location on the alley. The council authorizes moving the garage, subject to the approval of an alteration certificate, so long as it remains along the alley frontage of LOTS 35-38, inclusive, Block 32, University Place. The description of the landmark boundary shall be thereafter amended to the new location of the garage.

Section 5. The City Council further finds that the foregoing landmark designation is necessary to promote the public health, safety, and welfare of the residents of the city.

Section 6. There is hereby created as a landmark the house and property located at 747 12th St., and adjacent garage, together to be known as the Cowgill Property, whose legal landmark boundaries encompasses a portion of the legal lots upon which they sit:

LOTS 35-36 INC BLK 32 UNIVERSITY PLACE

A TWO FOOT BOUNDARY AROUND THE GARAGE LOT 37, BLK 32
UNIVERSITY PLACE

as depicted in the proposed landmark boundary map, attached hereto as Exhibit A.

Section 7. The council directs that the department of Community Planning and Sustainability give prompt notice of this designation to the property owner and cause a copy of this ordinance to be recorded as described in Subsection 9-11-6(d), B.R.C. 1981.

Section 8. The council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON SECOND READING, AND ORDERED PUBLISHED BY TITLE ONLY THIS 1ST DAY OF SEPTEMBER, 2015.

_____

Mayor

Attest:

_____

City Clerk

READ ON THIRD READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY THIS _____ DAY OF _____, 2015.

_____

Mayor

Attest:

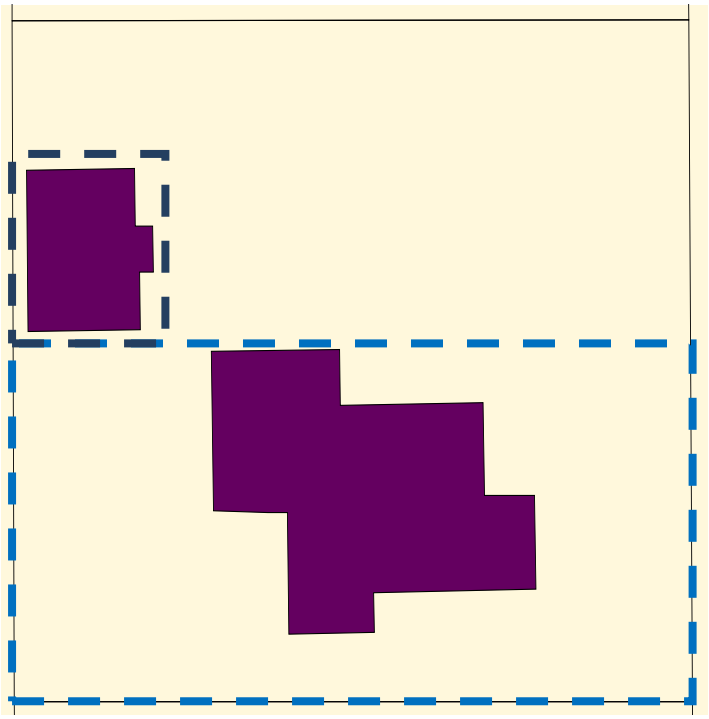
_____

City Clerk

Exhibit A – Landmark Boundary Map for 747 12th St.

LOTS 35& 36 INC BLK 32 UNIVERSITY PLACE

A TWO FOOT BOUNDARY AROUND THE
GARAGE LOT 37, BLK 32 UNIVERSITY PLACE



ORDINANCE NO. 8075

AN ORDINANCE AUTHORIZING THE APPROVING AUTHORITIES UNDER TITLE 9, "LAND USE CODE," B.R.C. 1981, TO APPROVE THE SUBDIVISION OF ONE BUILDING SITE INTO TWO BUILDING SITES FOR A PROPERTY GENERALLY DESCRIBED AS 747 12TH STREET AND AS AN AMENDMENT TO TITLE 9, "LAND USE CODE," TO WAIVE OR MODIFY CERTAIN LAND USE REGULATIONS INCLUDING STANDARDS RELATED TO THE MINIMUM LOT SIZE, SETBACKS, AND BUILDING SEPARATION IN ORDER TO MEET CITY HISTORIC PRESERVATION OBJECTIVES, AND SETTING FORTH RELATED DETAILS.

THE CITY COUNCIL OF THE CITY OF BOULDER FINDS AND RECITES:

A. After reviewing a demolition permit application that was submitted on behalf of the owners of Lots 35 – 38, Block 32, University Place, City of Boulder, County of Boulder, State of Colorado, also know as 747 12th Street (the "Property"), the Landmarks Board initiated an application for designation of the Property as an individual landmark under Chapter 9-11, "Historic Preservation," B.R.C. 1981.

B. The city council is interested in preserving the existing buildings that are located on the Property, as further explained and described in Ordinance No. 8029.

C. Several persons have advocated for or opposed the effort to designate the Property as an individual landmark.

D. The city council requested that the city manager and the owner of the Property discuss reasonable development options for the Property that preserve identified historic resources on the Property that meet both city historic preservation objectives as well as owner objectives.

E. The Boulder Valley Comprehensive Plan provides that "the city will develop a variety of tools that address preservation and conservation objectives within the community, including incentive programs." BVCP §2.28. This ordinance implements the Boulder Valley Comprehensive Plan.

F. Modifying the subdivision standards is appropriate in this case due to the exceptionally high architectural, historic and environmental significance of the house and garage, the location of the buildings on one side of the lot, and the size of the lot that is approximately 1,500 sq. ft. less than the minimum lot size for two lots.

G. This ordinance is intended to draw a reasonable balance between private property rights and the public interest in preserving the city's cultural, historic, and architectural heritage by ensuring that demolition of buildings and structures important to that heritage will be carefully weighed with other alternatives.

H. The purpose of this ordinance is to permit the subdivision of the property that would otherwise not meet the requirements of the land use code and provide an incentive for historic preservation of the buildings on the Property.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER COLORADO:

Section 1. The city council authorizes the city manager to approve a subdivision creating two lots on the property together with any permits or approvals necessary to permit construction of an additional principal building on the Property after such subdivision. The lots within the subdivision are subject to the following:

a. The total floor area ratio that is permitted on the property shall not exceed the amount that would apply to the entire property when calculated as a single building site.

b. The floor area will be allocated to each lot based upon the proportion of the lot to the Property. By mutual agreement of the lot owners, up to 330 square feet of floor area may be transferred between the lots.

c. The lots shall be generally consistent with Lots 35 and 36 comprising one lot and Lots 37 and 38 comprising the other lot. The final configuration of the two lots shall be determined through the subdivision process.

d. The review for the initial construction of a new dwelling unit and garage on lots 37 and 38 shall be subject to the requirements of the General Design Guidelines for Boulder's Historic Districts and Individual Landmarks (Nov. 2007) for new primary structures. The city manager will be the approving authority for the design review. The review may be done prior to or concurrent with a building permit application

Section 2. The city council authorizes the city manager to waive or modify any standard in Title 9, "Land Use Code," B.R.C. 1981:

a. Any waiver or modification will not directly impact the surrounding property owners. A waiver or modification that directly affects a surrounding property owner includes without limitation encroaching into a side yard setback next to a neighboring property or creating a solar access encroachment on such property.

b. Any waiver or modification will not alter the essential character of the neighborhood; will not substantially impair the reasonable use of adjacent property; and is the minimum waiver or modification that is necessary to allow subdivision of the Property and allow a reasonable use of the newly created lots.

c. It is anticipated, that in order to carry out the requirements of this ordinance, the city may need to waive or modify standards related to lot area per dwelling unit, minimum lot size, the separation and setbacks for the buildings between the two lots, and solar access requirements between the two lots.

d. The city manager is authorized to waive building and energy code requirements related to insulating the historic structures or replacing windows on the structures as part of the building permit process.

e. Approved waivers or modifications associated with Title 9, "Land Use Code," B.R.C. 1981 shall be documented in a subdivision agreement associated with the creation of the two lots.

Section 3. All other City of Boulder ordinances and regulations that have not been specifically mentioned herein continue to apply to the Property. Nothing in this ordinance shall prevent a lot owner from making any other request related to the Property, including without limitation variances that may be permitted pursuant to § 9-2-3, "Variances and Interpretations," B.R.C. 1981.

Section 4. This ordinance shall be considered an amendment to Title 9, "Land Use Code," B.R.C. 1981. To the extent that this ordinance conflicts with any other ordinance of the city, such ordinance shall be suspended for the limited purpose of implementing this ordinance. Nothing in this ordinance shall be construed as a waiver of the city's police power. A violation of this ordinance shall be a violation of Title 9, "Land Use Code," B.R.C. 1981.

Section 5. The city council finds that this ordinance furthers important historic preservation goals for the City of Boulder. Further, the city council finds that the benefits of the city's historic preservation goals made possible through this ordinance outweigh benefits that accrue to the city's ordinances that are waived by this ordinance.

Section 6. This ordinance is necessary to protect the public health, safety, and welfare of the residents of the city, is consistent with the goals and policies of the Boulder Valley Comprehensive Plan, and covers matters of local concern.

Section 7. The city deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 1st day of September, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 15th day of September, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 1, 2015

AGENDA TITLE:

Two matters related to a property located at 747 12th Street:

A. Continuation of the second reading and consideration of a motion amending and adopting Ordinance No. 8029 designating the building and property at 747 12th St., to be known as the **Cowgill Property**, as an individual landmark under the city's Historic Preservation Ordinance.

Owner: 747 Twelfth Street, LLC
Applicant: Landmarks Board

B. Introduction, first reading, and consideration a motion publication by title only an ordinance granting authority to the approving authorities under Title 9, "Land Use Code," B.R.C. 1981, to approve the subdivision of one building site into two building sites for a property generally described as 747 12th Street and as an amendment to Title 9, "Land Use Code," to waive or modify certain land use regulations including standards related to the minimum lot size, setbacks, and building separation in order to meet city historic preservation objectives, and setting forth related details.

PRESENTERS:
Jane S. Brautigam, City Manager
David Driskell, Executive Director of Community Planning & Sustainability
Susan Richstone, Deputy Director of Community Planning & Sustainability
Tom Carr, City Attorney
David Gehr, Senior Assistant City Attorney
Lesli Ellis, Comprehensive Planning Manager
James Hewat, Senior Historic Preservation Planner
Marcy Cameron, Historic Preservation Planner

EXECUTIVE SUMMARY

On May 28, 2015 the City Council held a quasi-judicial hearing to determine whether the proposed individual landmark designation of the property at 747 12th St. meets the purposes and standards of the Historic Preservation Ordinance *(Sections 9-11-1 and 9-11-2, B.R.C. 1981)*, in balance with the goals and policies of the Boulder Valley Comprehensive Plan. The City Council continued the public hearing to provide time for the owners/owners' representative to review emails that City Council had received since the March 3rd hearing.

On June 16, 2015, the City Council met to adopt findings. At the hearing, the City Council closed the public hearing and directed city staff to meet to explore options for the development of the property while preserving its historic resources. Subsequently, the prospective buyers chose not renew their option to purchase the property.

Since the June 16 meeting, city staff and the property owners have met five times to discuss potential options for development of the site and hosted a neighborhood meeting to gather feedback on the options. Options A, B, C and D were developed through the course of the discussions.

- Option A reflected the development and landmark designation of the site under existing regulations for the approximately 12,500 sq. ft. lot, as presented to the City Council on May 28, 2015.
- Option B proposed landmark designation and subdivision of the lot with Floor Area Ratio (FAR) and Building Coverage limitations calculated based on two separate lots.
- Option C proposed landmark designation and subdivision of the lot with the existing FAR/Building Coverage limitations divided between the two lots.
- Option D proposed landmark designation of the south lot and garage and subdivision with an FAR/Building Coverage limit between Options B and C. *See Attachment A: Proposed Options.*

Staff and the property owner support Option C, which proposes subdivision of the lot, landmark designation of the south lot and the garage and a portion of land around it on the north lot, allowance for the square footage currently allowed to be divided between the two lots with the ability to transfer up to 330 sq. ft. between the lots, and for staff review of proposed new construction on the new north lot using the *General Design Guidelines for Boulder's Landmarks (New Free-Standing Construction)*, to ensure compatibility with the landmark and the immediate streetscape.

STAFF RECOMMENDATION

Suggested Motion Language:

A. Motion to amend and pass on second reading Ordinance No. 8029, with the amendments shown in designating the subdivided south half of the property at 747 12th St., to be known as the Cowgill Property and the garage with a two foot boundary around that building on the subdivided north half of the property to be known as the Cowgill Garage as individual landmarks under the City of Boulder's Historic Preservation Ordinance.

B. Motion to adopt the following findings and conclusions:

FINDINGS AND CONCLUSIONS

The City Council finds, based upon the application and evidence presented, that the proposed designation application is consistent with the purposes and standards of the Historic Preservation Ordinance, in balance with the goals and policies of the Boulder Valley Comprehensive Plan, and:

1. The proposed designation will protect, enhance, and perpetuate a building reminiscent of a past era and important in local and state history and provide a significant example of architecture from the past. Sec. 9-11-1(a), B.R.C. 1981.
2. The proposed designation will maintain an appropriate setting and environment and will enhance property values, stabilize the neighborhood, promote tourist trade and interest, and foster knowledge of the city's living heritage. 9-11-1(a), B.R.C. 1981.
3. The buildings proposed for designation have exceptionally high architectural, historic and environmental significance. The property is associated with Marthana and Josephine Cowgill, who cared for tuberculosis patients in the house prior to purchasing the Mesa Vista Sanatorium; the property possesses a high level of architectural integrity as an example of architecture of that period, and the property has been identified as contributing resource to the identified potential University Hill local and National Register of Historic Places District. Sec. 9-11-2(a)(1), B.R.C. 1981.
4. The proposed designation draws a reasonable balance between private property rights and the public interest in preserving the city's cultural, historic, and architectural heritage by ensuring that demolition of buildings important to that heritage will be carefully weighed with other alternatives. The subdivision of the lot allows for redevelopment of the site in a manner that preserves the historic buildings and provides for a modern residential use. 9-11-1(b), B.R.C. 1981.
5. The provisions of proposed Ordinance No. 8029 and this Memorandum are incorporated into these findings and conclusions by this reference.

C. Motion to introduce, read on first reading, and publish by title only an ordinance granting authority to the approving authorities under Title 9, "Land Use Code," B.R.C. 1981, to approve the subdivision of one building site into two building sites for a property generally described as 747 12th Street and as an amendment to Title 9, "Land Use Code," to waive or modify certain land use regulations including standards related to the minimum lot size, setbacks, and building separation in order to meet city historic preservation objectives, and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

Economic: Owners of locally designated landmarked properties are eligible for state and local tax credits for approved rehabilitations and repairs, and studies have found that historic preservation adds to economic vitality and tourism. Exterior changes to individually landmarked buildings require a Landmark Alteration Certificate, issued by the Community Planning and Sustainability Department at no charge. The additional review process for landmarked buildings may, however, add time and design expense to a project.

Environmental: The preservation of historic buildings is inherently sustainable. Owners of individually landmarked buildings are encouraged to reuse and repair as much of the original building as possible when making exterior alterations, thereby reducing the amount of building material waste deposited in landfills. City staff can assist architects, contractors and homeowners with design and material selections and sources that are environmentally friendly. Also, the city's Historic Preservation website provides information on improving the energy efficiency of older buildings.

Social: The Historic Preservation Ordinance was adopted to "…enhance property values, stabilize neighborhoods, promote tourist trade and interest, and foster knowledge of the city's living heritage." Section 9-11-1 (a), B.R.C., 1981. The primary beneficiaries of historic designation are the property owners of a historic landmark and adjacent neighbors, who are ensured that the character of the immediate area will be protected through the design review process. The greater community also benefits from the preservation of the community's character and history.

OTHER IMPACTS

Fiscal: The designation of individual historic landmarks is an anticipated and ongoing function of the Historic Preservation Program.

Staff Time: This designation application is within the staff work plan.

BOARD AND COMMISSION FEEDBACK

On January 7, 2015, the Landmarks Board voted (4-0, **F. Sheets** absent) to recommend to City Council that the property at 747 12th St., to be known as the Cowgill Property, be designated as a local historic landmark, finding that it meets the standards for individual landmark designations in sections 9-11-1 and 9-11-2, B.R.C. 1981, and is consistent with the criteria specified in section 9-11-5(c), B.R.C. 1981. Staff recommended that the Landmarks Board recommend landmark designation for the property.

At the subsequent City Council hearings, representatives of the Landmarks Board have spoken in support of preservation of the property.

PUBLIC FEEDBACK
On July 21, 2015, a neighborhood meeting was held to gather feedback on Options A, B, C and D. Approximately 30 people attended the meeting. Staff and the property owners gave a short presentation on the options and the attendees offered verbal and written feedback. *See Attachment B: Neighborhood Meeting Feedback on Proposes Options.*

BACKGROUND
This designation, initiated by the Landmarks Board, was initially opposed by the property owners. On October 1, 2014, the Landmarks Board passed a resolution to initiate landmark designation and on January 7, 2015, the Landmarks Board voted (4-0, **F. Sheets** absent) to recommend to City Council that the property at 747 12th St. be designated as a local historic landmark.

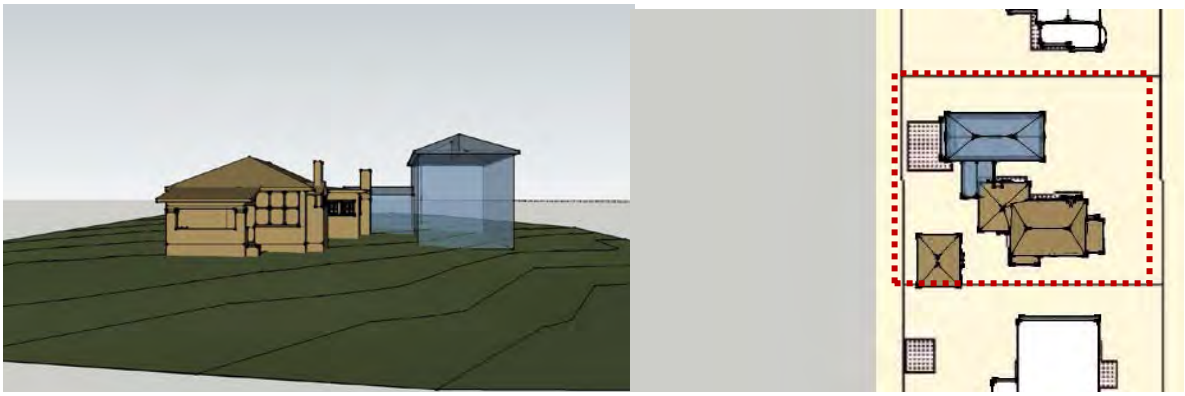
- The first reading of the ordinance was approved by City Council on Feb. 3, 2015. On March 3, 2015 the City Council held a quasi-judicial hearing to determine whether the proposed individual landmark designation of the property at 747 12th St. meets the purposes and standards of the Historic Preservation Ordinance *(Sections 9-11-1 and 9-11-2, B.R.C. 1981)*, in balance with the goals and policies of the Boulder Valley Comprehensive Plan.
- The City Council continued the public hearing to provide time to visit the property and directed staff to explore options for development of the property with the owners. The City Council members made site visits on March 3, 2015 and April 1, 2015.
- On April 14, 2015 the City Council met to disclose *ex parte* contacts as a result of the site visits and closed the public hearing with an understanding that findings of fact on the case at a special City Council meeting to be held at a later date.
- On May 28, 2015 the City Council held a quasi-judicial hearing to determine whether the proposed individual landmark designation met the purposes and standards of the Historic Preservation Ordinance. The recommendation included 3D modeling to indicate the size of an addition to the historic house if the full floor area for the RL-1 lot was maximized (*see Option A in Attachment A: Proposed Options.)*
- The City Council continued the public hearing to provide time for the owners/owners' representative to review emails that City Council had received since the March 3rd hearing.
- On June 16, 2015 the City Council closed the public hearing and encouraged staff and the property owners to continue discussions about redevelopment and preservation of the historic resources. Subsequently, the prospective buyers chose not renew their option to purchase the property.
- Comprehensive Planning and Sustainability and City Attorney Office staff subsequently met with the property owners on several occasions and together developed three additional scenarios for the development and preservation of the property, each of which proposes the subdivision of the existing 12,478 sq. ft. lot (*see Options B,C & D in Attachment A: Proposed Options*).
- On July 21, 2015 the owners together with staff held an open house for the public to comment on the options A through D (*see Attachment A: Proposed Options*). A considerable amount of public comment was received from attendees on the options (*see Attachment B: Open House Comments*).
- Staff and the property owner support Option C, which proposes subdivision of the lot, landmark designation of south lot and the garage and a portion of land around it on the north

lot, allowance for the square footage currently allowed to be divided between the two lots, and for staff review of proposed new construction on the new north lot using the *General Design Guidelines for Boulder's Landmarks (New Free-Standing Construction),* to ensure compatibility with the landmark and the immediate streetscape.

OPTIONS

Based upon discussions with the property owners about development of the property in the context of Individual Landmark Designation as outlined in *Attachment A: Proposed Options*, the following four options were developed:

OPTION A: Landmark Property with Modified Ordinance to Assure Maximum FAR, Allow Garage Relocation, and Describes Areas of Flexibility for New Construction (blue) (*Attachment A*) (Staff recommended option to City Council May 28th, 2015)

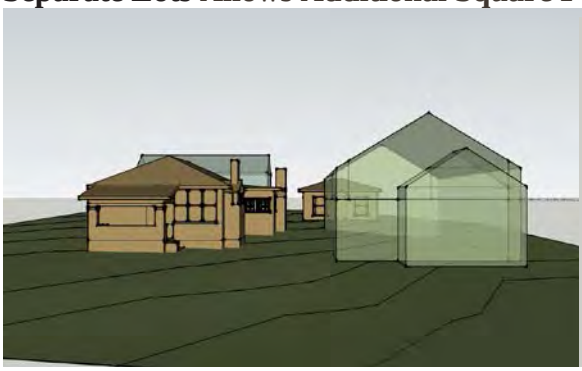


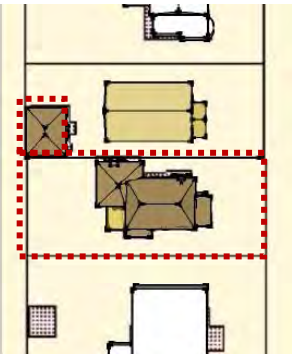
In this scenario, an addition to the existing house that would be allowed under current zoning calculations is shown. It is the same addition that was presented to City Council in May, and includes the proposed relocation of the garage to the southwest corner of the lot. The two-story, hipped roof addition nearly maximizes the allowed FAR while preserving much of the existing house. In this scenario, landmark designation of the entire lot is proposed (red dashed line); exterior changes to the existing house, including construction of an addition, would require design review.

Considerations:

- Protects historically significant portions of the house including the east wall and most of north wall of the historic northwest addition
- Results in single house of 3,872 sq. ft.
- Allows construction to maximum FAR permitted in RL-1 zoning.
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits
- Assumes relocation of historic garage.
- May result in awkward floorplan.
- Not compatible with the owners' goals.

OPTION B: **Subdivision of Lot with FAR/Building Coverage Calculations Based on Two Separate Lots Allows Additional Square Footage (green)**



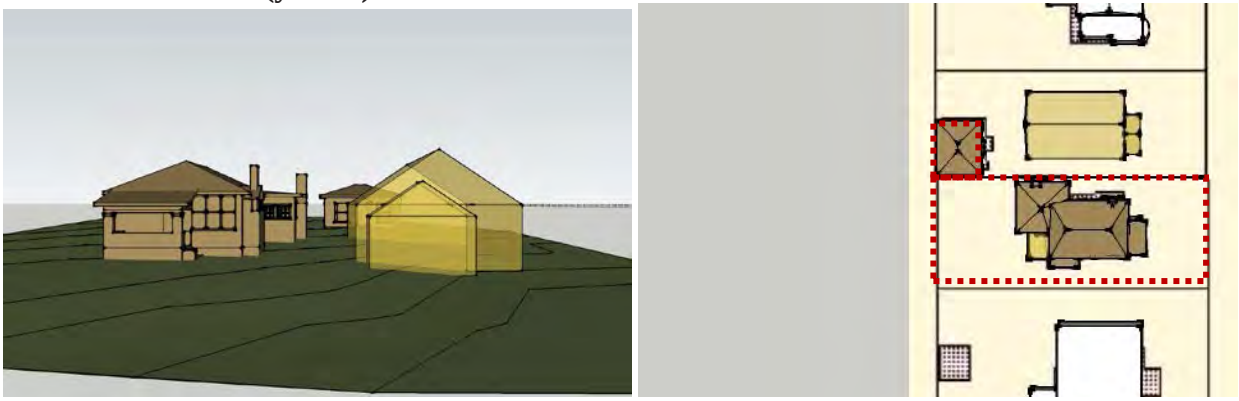


In this scenario, the lots are subdivided into two roughly equal size lots and the FAR/Building Coverage Limits are calculated separately for each lot. This would allow additional square footage than is currently permitted on the single lot. The existing house is maintained on the south lot and added onto. The north wall of the new house is located at the north side yard setback (10' from the property line) in order to provide space between the adjacent houses and preserve a view of the existing garage from 12th St. The house is shown as two stories, with a front gable roof form. The addition to the existing house as modeled is 200 sq. ft. less than the proposed maximum, but extends to the rear and side yard setbacks. In this scenario, landmark designation of the south lot and the footprint of the garage on the north lot is proposed (red dashed line).

Considerations:

- Provides for existing house and garage to be landmarked and preserved.
- Results in two 6,500 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in two houses, each approximately 3,300 sq. ft. in size.
- FAR is high for University Hill neighborhood (relatively large houses on small lots).
- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.
- Provides for redevelopment with design review of modifications to existing house and garage including possible addition(s).
- Adjacent new construction on subdivided lot could be constructed in manner that overwhelms historic house because of allowable FAR and is out of character with neighborhood (large amount of built area on small lots).
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible development regulations, permit fee waiver and state/federal tax credits
- Results in awkward landmark boundary split between two legal lots.
- Would not provide for design review of north lot by Landmarks Board unless it was landmarked.

OPTION C: Option C. Subdivision of Lot with Existing Zoning Standards Divided Between Two Lots (yellow)



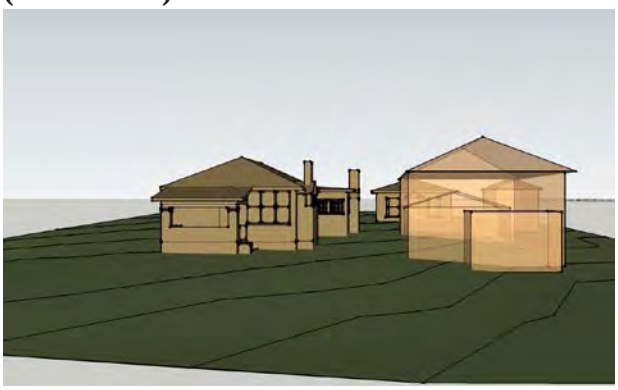
In this scenario, the lots are subdivided into two roughly equal size lots and the current FAR/Building Coverage limitations are divided between the two lots. The existing house is preserved on the south lot and added onto; if divided equally, only 61 sq. ft. of new square footage would be allocated to the south lot. As modeled, 89 sq. ft. is allocated from the north lot to provide more flexibility for the existing house. The division of the FAR is flexible in this scenario. The new house on the north lot is shown as a 1 1/2 story, front gabled house. In this scenario, landmark designation of the south lot and the area around the garage on the north lot is proposed (red dashed line); exterior changes to the existing house, including construction of an addition, would require design review. New construction on the north lot would be reviewed at the staff level using the *General Design Guidelines.*

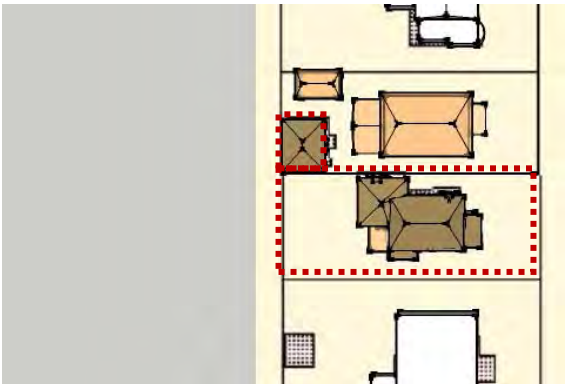
Considerations

- Provides for existing house and garage to be landmarked and preserved. Limiting square footage would help to ensure new construction on north lot and additions to existing house and garage are appropriately scaled.
- Results in two 6,239 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in two houses of approximately 2,200 sq. ft., more in scale with traditional pattern of smaller houses on smaller lots in University Hill neighborhood (with the ability to transfer up to 200 sq. ft. from one lot to the other.
- Maintains the current FAR and does not provide additional allowable FAR.
- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.
- Provides for design review of modifications to existing house and garage including possible addition(s).
- Provides for staff review of new construction on the north lot using Section 6, *New Primary Buildings* of the *General Design Guidelines for Boulder's Historic Districts and Individual Landmarks*.
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits

- Construction of a separate house may be less obstructive to the existing house and since square footage is not any greater than Option A and it may be more in context with the neighborhood character.

OPTION D: Subdivision of Lot with Additional New Construction (orange) Allowed Above the Existing Zoning Standards (Scenarios A&C) and Below Separate Calculations (Scenario B)





In this scenario, the lot is subdivided into two lots of roughly equal size. The two-story, hipped roof building on the north lot measures approximately 2,600 sq. ft. in size. A one-car garage, measuring approximately 240 sq. ft., is located at the northwest corner of the lot. The total square footage on the new (north) lot is approximately 2,840 sq. ft., roughly between the existing allowed building size (scenarios A & C) and the proposed calculation for separate lots (scenario B). In this scenario, landmark designation of the south lot and the footprint of the garage on the north lot is proposed (red dashed lines); exterior changes to the existing house would require design review, but new construction on the north lot would not.

Considerations

- Provides for existing house and garage to be landmarked and preserved.
- Results in two 6,500 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in 154 sq. ft. addition to existing house for 2,200 sq. ft. total on south lot and 2,600 sq. ft. new house with 240 sq. ft. new garage (in addition to preserved existing garage) on north lot.
- Provides for design review of modifications to existing house and garage including possible addition(s)
- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits
- Would not provide for design review of north lot by Landmarks Board unless it was landmarked.
- Adjacent new construction on subdivided lot could be constructed in manner that is larger than historic house because of allowable FAR.

ANALYSIS:
Over the course of several meetings, city staff and the representatives from the Johnson family together developed and analyzed the four options. This included a public open house at the property on the July 21st, 2015 where the public was invited to comment on each of the options. The public's input favored options C and D, with a significant amount of input expressing the opinion that allowing for subdivision of the property to create non-standard lots with floor area limited to near what would be allowed on the single lot split between the two new properties, and landmark designation of the south lot and garage on the north lot, seemed an appropriate way to maintain the character of streetscape and neighborhood as a whole. The Options Analysis Matrix, *Attachment C* assesses each of the options against the city's policies and regulations.

Subsequent discussions with the Johnson's have resulted in agreement that Option C with a modified landmark boundary to include the proposed south lot and landmark designation of the existing garage (with a two foot boundary around it) on the proposed north lot, and represents a reasonable balance of property rights and the public interest. The agreement also provides the ability for up to 330 sq. ft. of floor area to be transferred from one lot to the other to allow for flexibility in developing the properties. It also provides for staff level review of new construction on the north lot using Section 6, *New Primary Buildings* of the *General Design Guidelines for Boulder's Historic Districts and Individual Landmarks*.

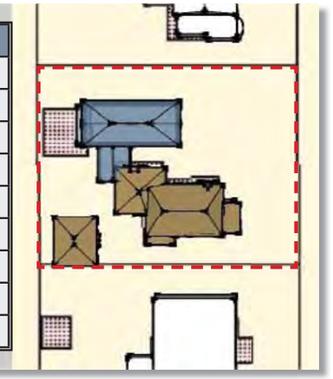
The subdivision of a property to create two, non-standard lots is very unusual and requires the City Council to adopt a special ordinance. However, staff considers that the special circumstances of this case including the high historic significance of the property that might otherwise be lost and that the limitations on and review of new construction of the new lots, will result in compatible development in the streetscape in a manner that balances property rights and the public interest. While this is somewhat rare, legislative actions have been used in the past to help preserve structures within the city. Most recently, the houses that we're relocated from Grandview Terrace to 905 Marine St. required a required an ordinance to modify some zoning standards in order to accommodate the move of these buildings which, otherwise, would have been demolished.

ATTACHMENTS
A: Options A, B, C and D
B: Neighborhood Comment from July 15, 2015 meeting
C: Options Analysis Matrix
D: Ordinance No. 8029 – Individual Landmark Ordinance with proposed amendments____
E: Ordinance No. 8075 – Ordinance that permits the subdivision of the property into to lots and modifies land use regulations to permit the subdivision of the property.
F: Memorandum to City Council dated May 28, 2015

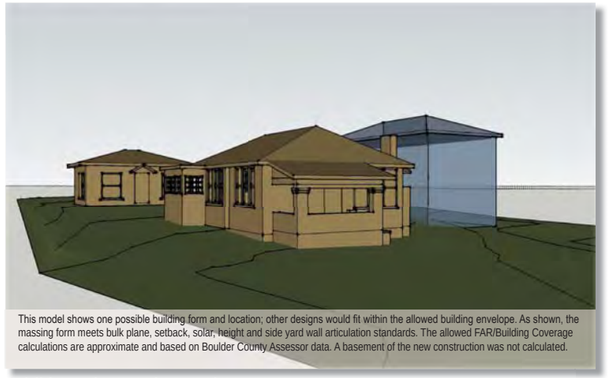
Option A. Development of Lot Under Existing Zoning Standards

Maintains Existing Square Footage Limitations

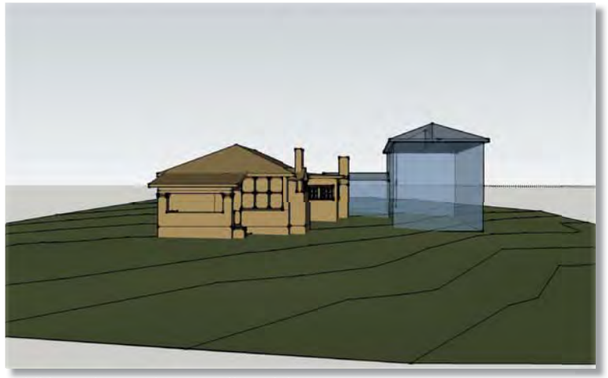
Model Statistics	
Height	25'6
Footprint	43' x 20'
1st Level	1,092 SF
2nd Level	860 SF
Setbacks	
Front	57'
North Side	20'
South Side	42'
Rear	25'



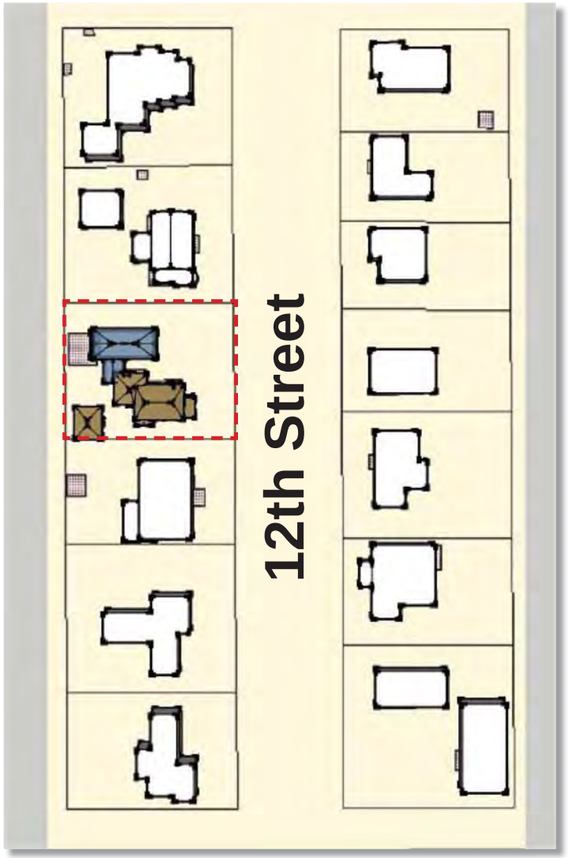
Addition, plan view



Addition, view to the northwest.

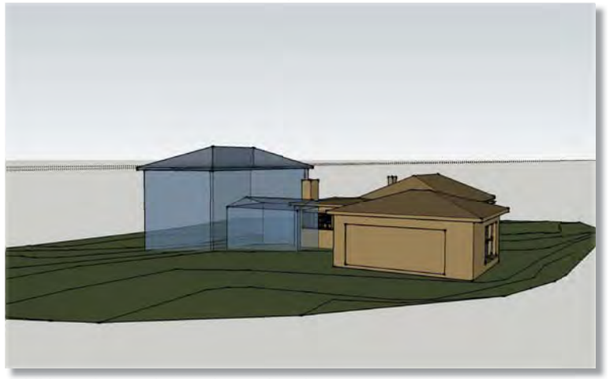


Addition, view to the west (facade).



Addition, plan view, 700 block of 12th St.

Addition, view to the southwest.



Addition, view to the northeast (rear).

Option A: Development of the Lot Under Current Zoning Calculations

In this scenario, an addition to the existing house that would be allowed under current zoning calculations is shown. It is the same addition that was presented to City Council in May, and includes the proposed relocation of the garage to the southwest corner of the lot. The two-story, hipped roof addition nearly maximizes the allowed FAR while preserving much of the existing house. In this scenario, landmark designation of the entire lot is proposed (red dashed line); exterior changes to the existing house, including construction of an addition, would require design review.

A. Development of the Lot Under Current Zoning Calculations			
	Existing Lot Size	**Existing Allowed FAR**	**Allowed Building Coverage**
Existing Lot (Not Subdivided) Lots 35-38	12,478 sq. ft.	**2,140 sq. ft. Existing House** **2,262 sq. ft. Additional Sq. Ft. Available** **4,402 sq. ft. Potential Sq. Ft. Total**	**1,298 sq. ft. Existing House** **2,039 sq. ft. Additional Building Coverage Available** **3,337 sq. ft. Potential Building Coverage Total**
Model Statistics	No change	**2,250 sq. ft. Potential FAR** **4,390 sq. ft. Total FAR Shown**	**1,250 sq. ft. Potential Building Coverage** **2,548 sq. ft. Total Building Coverage Shown**

**Garage FAR not included in calculations; if designated, FAR would not count toward FAR/Building Coverage limitations; All values are approximate.*

Comments

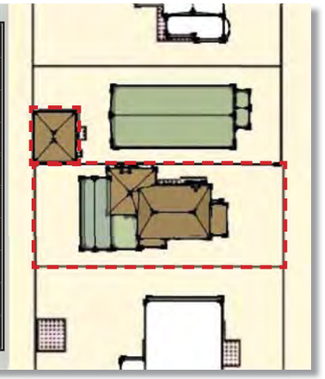
Considerations

- Protects historically significant portions of the house including the east wall and most of north wall of the historic northwest addition
- Results in single house of 3,872 sq. ft.
- Allows construction to maximum FAR permitted in RL-1 zoning.
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits
- Assumes relocation of historic garage.
- May result in awkward floorplan.
- Not compatible with the owners' goals.

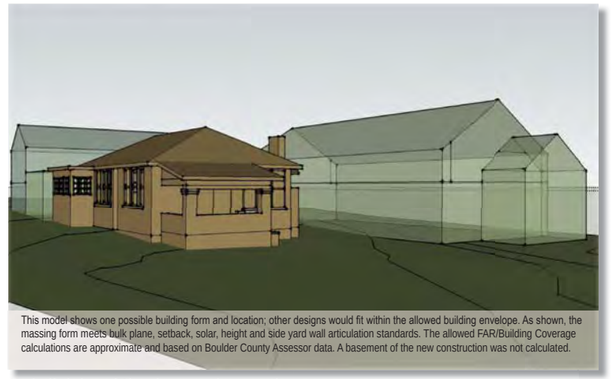
Option B. Subdivision of Lot with FAR/Building Coverage Calculations Based on Two Separate Lots

Allows Additional Square Footage

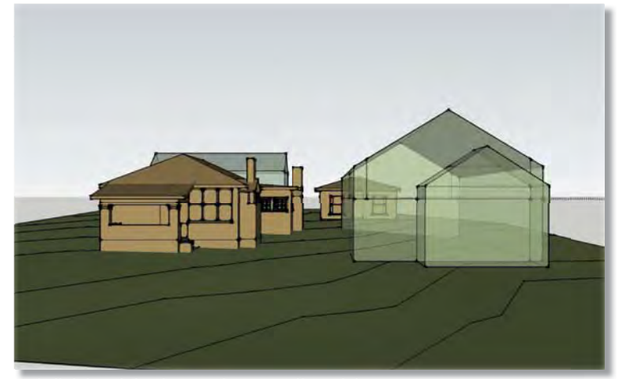
Model Statistics	
Height	24’
Footprint	59’6x30’
1st Level	1,788 SF
2nd Level	1,547 SF
Setbacks	
Front	25’
North Side	10’
South Side	8’
Rear	40’6



Subdivision (B), plan view



Subdivision (B), view to the northwest.



Subdivision (B), view to the west (facade).

Subdivision (B), plan view, 700 block of 12th St.

Subdivision (B), view to the southwest.

Subdivision (B), view to the northeast (rear).

OPTION B: Subdivision of the Lot with FAR/Building Coverage Calculations Based on Two Separate Lots

In this scenario, the lots are subdivided into two roughly equal size lots and the FAR/Building Coverage Limits are calculated separately for each lot. This would allow additional square footage than is currently permitted on the single lot. The existing house is maintained on the south lot and added onto. The north wall of the new house is located at the north side yard setback (10’ from the property line) in order to provide space between the adjacent houses and preserve a view of the existing garage from 12th St. The house is shown as two stories, with a front gable roof form. The addition to the existing house as modeled is 200 sq. ft. less than the proposed maximum, but follows the rear and side yard setbacks. In this scenario, landmark designation of the south lot and the footprint of the garage on the north lot is proposed (red dashed lines); exterior changes to the existing house would require design review, but new construction on the north lot would not.

B. Subdivision of Lot with FAR/Building Coverage Calculations Based on Two Separate Lots			
	Proposed Lot Size	Proposed FAR Maximum	Proposed Building Coverage Maximum
North Lot Lots 37-38	6,239 sq. ft.	**3,348 sq. ft. Potential Sq. Ft.**	**2,298 sq. ft. Potential Building Coverage**
Model - North Lot (New Construction)	Same	**3,335 sq. ft. Total Sq. Ft. Shown**	**1,788 sq. ft. Total Building Coverage Shown**
South Lot Lots 35-36	6,239 sq. ft.	**2,140 sq. ft. Existing House** **1,208 sq. ft. Available Sq. Ft.** **3,348 sq. ft. Total Potential Sq. Ft.**	**1,298 sq. ft. Existing House** **1,000 sq. ft. Available Building Coverage** **2,298 sq. ft. Potential Building Coverage**
Model - South Lot (Addition to Ex. House)	Same	**1,015 sq. ft. Sq. Ft. Shown**	**507.5 sq. ft. Building Coverage Shown**

**Garage FAR not included in calculations; if designated, FAR would not count toward FAR/Building Coverage limitations; All values are approximate.*

Comments

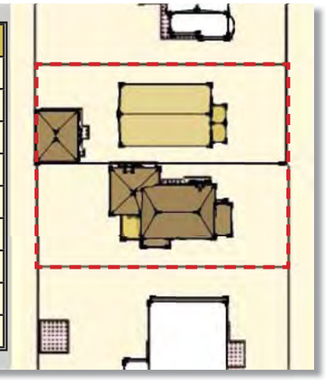
Considerations

- Provides for existing house and garage to be landmarked and preserved.
- Results in two 6,500 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in two houses, each approximately 3,300 sq. ft. in size.
- FAR is high for University Hill neighborhood (relatively large houses on small lots).
- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.
- Provides for redevelopment with design review of modifications to existing house and garage including possible addition(s)
- Adjacent new construction on subdivided lot could be constructed in manner that overwhelms historic house because of allowable FAR and is out of character with neighborhood (large amount of built area on small lots).
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible development regulations, permit fee waiver and state/federal tax credits
- Results in awkward landmark boundary split between two legal lots.
- Would not provide for design review of north lot by Landmarks Board unless it was landmarked.

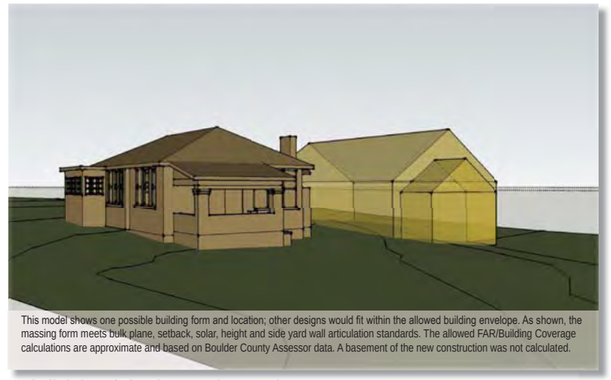
Option C. Subdivision of Lot with Existing Zoning Standards Divided Between Two Lots

Maintains Existing Square Footage Limitations

Model Statistics	
Height	22'
Footprint	44' x 30'
1st Level	1,320 SF
2nd Level	792 SF
Setbacks	
Front	38'
North Side	10'
South Side	10'
Rear	43'



Subdivision (C), plan view



Subdivision (C), view to the northwest.

Subdivision (C), view to the west (facade).

Subdivision (C), plan view, 700 block of 12th St.

Subdivision (C), view to the southwest.

Subdivision (C), view to the northeast (rear).

OPTION C: Subdivision of Lot with Existing Zoning Standards Divided Between Two Lots

In this scenario, the lots are subdivided into two roughly equal size lots and the current FAR/Building Coverage limitations are divided between the two lots. The existing house is preserved on the south lot and added onto; if divided equally, 61 sq. ft. would be allocated to the south lot. As modeled, 89 sq. ft. is allocated from the north lot to provide more flexibility for the existing house. The division of the FAR is flexible in this scenario. The new house on the north lot is shown as a 1 1/2 story, front gabled house. In this scenario, landmark designation of the entire lot is proposed (red dashed line); exterior changes to the existing house, including construction of an addition, would require design review.

C. Subdivision of Lot with Existing FAR/Building Coverage Divided Between Two Lots			
	Proposed Lot Size	**Proposed FAR Maximum**	**Proposed Building Coverage Maximum**
North Lot Lots 37-38	6,239 sq. ft.	**2,201 sq. ft. Potential Sq. Ft.**	**1,668 sq. ft. Potential Building Coverage**
Model - North Lot (New Construction)	Same	**2,112 sq. ft. Shown Sq. Ft.*** **(*89 sq. ft. allocated to south lot)**	**1,320 sq. ft. Shown Building Coverage**
South Lot Lots 35-36	6,239 sq. ft.	**2,140 sq. ft. Existing House** **61 sq. ft. Total Sq. Ft. + 89 sq. ft.** **2,201 Potential Sq. Ft.**	**1,298 sq. ft. Existing House** **1,668 sq. ft. Total Building Coverage** **370 sq. ft. Potential Building Coverage**
Model - South Lot (Addition to Ex. House)	Same	**154 sq. ft. Shown Sq. Ft.**	**154 sq. ft. Shown Building Coverage**

**Garage FAR not included in calculations; if designated, FAR would not count toward FAR/Building Coverage limitations; All values are approximate.*

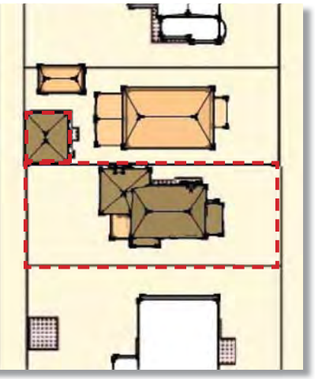
Comments

Considerations

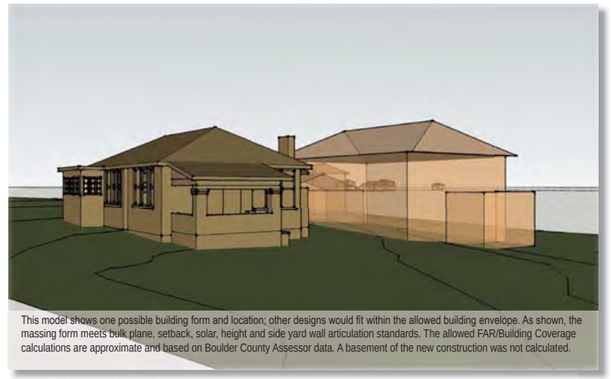
- Provides for existing house and garage to be landmarked and preserved. Limiting square footage would help to ensure new construction on north lot and additions to existing house and garage are appropriately scaled.
- Results in two 6,239 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in two houses of approximately 2,200 sq. ft., more in scale with traditional pattern of smaller houses on smaller lots in University Hill neighborhood.
- Maintains the current FAR and does not provide additional allowable FAR.
- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.
- Provides for design review of modifications to existing house and garage including possible addition(s).
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits
- Construction of a separate house may be less obstructive to the existing house and since square footage is not any greater than Option 1, may be more in context with the neighborhood character.
- Would not provide for design review of north lot by Landmarks Board unless it was landmarked

Option D. Subdivision of Lot With Additional New Construction Allowed Above the Existing Zoning Standards (Scenarios A&C) and Below Separate Calculations (Scenario B) Allows Additional Square Footage

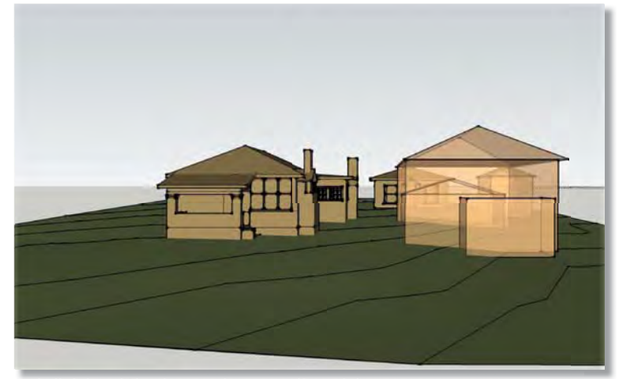
Model Statistics	
Height	24'
Footprint	28' x 40' 15' x 24'
1st Level	1,520 SF
2nd Level	1,120 SF
Setbacks	
Front	34'
North Side	12'
South Side	8'
Rear	32'



Subdivision (D), plan view

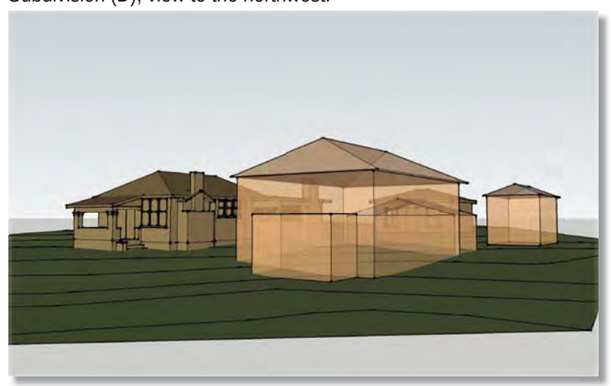


Subdivision (D), view to the northwest.

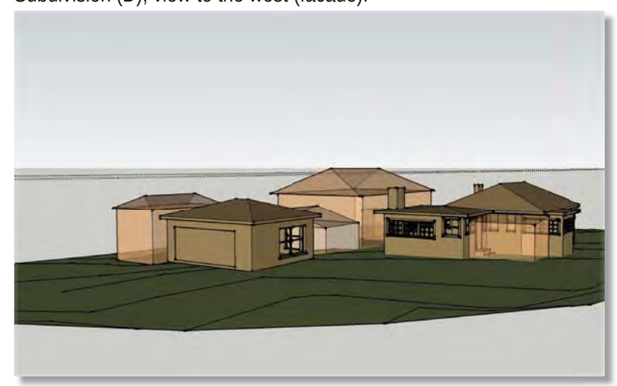


Subdivision (D), view to the west (facade).

Subdivision (D), plan view, 700 block of 12th St.



Subdivision (D), view to the southwest.



Subdivision (D), view to the northeast (rear).

OPTION D:

In this scenario, the lot is subdivided into two lots of roughly equal size. The two-story, hipped roof building on the north lot measures approximately 2,600 sq. ft. in size. A one-car garage, measuring approximately 240 sq. ft., is located at the northwest corner of the lot. The total square footage on the new (north) lot is approximately 2,840 sq. ft., roughly between the existing allowed building size (Scenarios A&C) and the proposed calculation for separate lots (Scenario B).

In this scenario, landmark designation of the south lot and the footprint of the garage on the north lot is proposed (red dashed lines); exterior changes to the existing house would require design review, but new construction on the north lot would not.

D. Subdivision of Lot with New FAR/Building Coverage

	Proposed Lot Size	Proposed FAR Maximum	Proposed Building Coverage Maximum
North Lot Lots 37-38	6,239 sq. ft.	**2,900 sq. ft. Potential Sq. Ft. (approx.)**	**2,000 sq. ft. Potential Building Coverage (approx.)**
Model - North Lot (New Construction)	Same	**2,600 sq. ft. House 240 sq. ft. Garage 2,840 sq. ft. Shown Sq. Ft.**	**1,520 sq. ft. Shown Building Coverage**
South Lot Lots 35-36	6,239 sq. ft.	**2,140 sq. ft. Existing House 154 sq. ft. sq. ft. Addition to House 2,201 Total Potential sq. ft.**	**1,668 sq. ft. Potential Building Coverage (1,298 sq. ft. Existing House) 370 sq. ft. Total Potential Building Coverage**
Model - South Lot (Addition to Ex. House)	Same	**154 sq. ft. Shown sq. ft.**	**154 sq. ft. Shown Building Coverage**

**Garage FAR not included in calculations; if designated, FAR would not count toward FAR/Building Coverage limitations; All values are approximate.*

Comments

Considerations

- Provides for existing house and garage to be landmarked and preserved.
- Results in two 6,500 sq. ft. lots in streetscape where average lot size is 10,928 (700 block of 12th Street).
- Results in 154 sq. ft. addition to existing house for 2,200 sq. ft. total on south lot and 2,600 sq. ft. new house with 240 sq. ft. new garage (in addition to preserved existing garage) on north lot.
- Provides for design review of modifications to existing house and garage including possible addition(s)
- Allows two dwelling units on two separate lots where single dwelling unit is currently allowed.
- Provides ability to take advantage of historic preservation incentives (for rehabilitation of historic resources) including relief from compatible develop regulations, permit fee waiver and state/federal tax credits
- Results in awkward landmark boundary split between two legal lots
- Would not provide for design review of north lot by Landmarks Board unless it was landmarked.
- Adjacent new construction on subdivided lot could be constructed in manner that is larger than historic house because of allowable FAR.
- Allows for building square footage that is between those of Scenario B and Scenario C.

747 12th St. Massing Models
Open House - July 21, 2015
City of Boulder
Community Planning & Sustainability

Contemporary Houses on Small Lots

2842 10th St.
Lot Area: 6,436 sq. ft.
Building Above Ground: 3,208 sq. ft.
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

3182 7th St.
Lot Area: 6,280 sq. ft.
Building Above Ground: 2,877 sq. ft.
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

3150 8th St.
Lot Area: 6,151 sq. ft.
Building Above Ground: 3,872 sq. ft.
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

3119 8th St.
Lot Area: 6,158 sq. ft.
Building Above Ground: 2,716 sq. ft.
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

3080 8th St.
Lot Area: 6,322 sq. ft.
Building Above Ground: 4,335 sq. ft.
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

These photographs show examples of houses that may be appropriate in form, size and styles for new construction on the 700 block of 12th Street if subdivision is allowed.

Old Houses on Small Lots

747 9th St.
Lot Area: 6,155 sq. ft.
Building Above Ground: 2,219 sq. ft. house, 240 sq. ft. attached garage
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

945 Lincoln Pl.
Lot Area: 4,044 sq. ft.
Building Above Ground: 1,904 sq. ft. house, 214 sq. ft. detached garage
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

743 9th St.
Lot Area: 6,219 sq. ft.
Building Above Ground: 1,512 sq. ft. house, 200 sq. ft. attached garage
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

610 Maxwell Ave.
Lot Area: 4,167 sq. ft.
Building Above Ground: 1,225 sq. ft. house
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

576 Marine St.
Lot Area: 5,245 sq. ft.
Building Above Ground: 1,469 sq. ft. house, 180 sq. ft. garage
Based on Boulder County Tax Assessor Data and does not reflect actual floor area as calculated by the city.

Neighborhood Context

West Side				
707 12th St.	1923	Two Story (23')	Cross-Gable	Brick
715 12th St.	1923	Two Story (20')	Cross-Gable	Stone
735 12th St.	1950/1980	Two Story (?)	Hipped	Stucco/Brick
747 12th St.	1916	One Story (15')	Hipped	Brick
767 12th St.	1927	Two Story (23')	Side Gable	Brick
1160 Cascade	1927	Two Story (23')	Side Gambrel	Brick

707 12th St.

715 12th St.

735 12th St.

747 12th St.

767 12th St.

1160 Cascade

700 block of 12th St, facing north.

East Side				
712 12th St.	1904	One Story (?)	Gable	Stone
1215 Baseline	1911	1 1/2 Story (19')	Side Gable	Brick/Frame
728 12th St.	1925	One Story (15')	Side Gable	Stone
740 12th St.	1925	Two Story (23')	Hipped	Brick
750 12th St.	1923	One Story (15')	Front Gable	Brick/Frame
760 12th St.	1936	1 1/2 (20')	Cross Gable	Brick
770 12th St.	1935	Two Story (21')	Side Gambrel	Brick
1212 Cascade	1951	One Story (?)	Hipped	Stone

1215 Baseline

712 12th St.

728 12th St.

740 12th St.

750 12th St.

East Side of 12th St., facing south.

760 12th St.

770 12th St.

1212 Cascade

The 700 block of 12th St. is located in an area that was determined to be eligible as a National Register of Historic Places district and a local historic district by consultants who undertook a historic resource survey of the larger University Hill area in 1991 and a resurvey of the area in 2002.

This block encompasses a collection of intact buildings united historically by the development of the neighborhood that followed platting of the University Place subdivision. The buildings located within the boundaries of the district reflect a variety architectural genres characteristic of the 1910s to the 1930s, including Tudor-Revival, Colonial-Revival, and Craftsman Bungalow houses.

747 12th St. Neighborhood Meeting
July 22, 2015, 5-6:30 p.m.
Staff Members: David Gehr, Susan Richstone, James Hewat, Marcy Cameron
Owners: Kurt Nordback, Kristin Lopez, Lisa Johnson
Approximately 30 people in attendance
D. Gehr, J. Hewat and K. Nordback gave a short presentation on the purpose of the meeting and process, overview of proposed scenarios, and the goals of the family. The following comments were written on post-it notes and placed on posters.

Option A Comments

Development of lot under existing zoning standards
Maintains existing square footage limitations

- Don't like this at all. Agree with owners that this is a kludge and doesn't fit to have add on. –C. Hamm.
- Please landmark both lots. Thank you –Martha Campbell
- Think best option would lie to do something less than landmarking and split lot.

Option B Comments

Subdivision of lot with FAR/Building coverage calculations based on two separate lots
Allows additional square footage

- B is too large. City's advantage is diminished compared to owner's advantage.
- 2nd house in 2nd lot doesn't fit. – C. Hamm
- This looks just fine.
- I like dividing the lot & what about 'caveats' about the new house (design guides) since it is on a special lot.
- B is too large. The historic house would be dwarfed by new house and/or an addition to the historic house.

Option C Comments

Subdivision of lot with existing zoning standards divided between two lots
Maintains existing square footage limitations

- Entire lot landmarking creates undue financial loss to the Johnsons.
- I like 'C' better because they're smaller houses and both lots are landmarked. –Don & Lisa Reichert
- Prefer 'C' with landmarking both lots.
- D: Lot should not be landmarked.
- City should not have rules for property owners that city does not follow. Leave band shell alone.
- Landmarking 2nd lot causes undue problems for anyone trying to build on it. –C Hamm.
- C is the best but as a concession to owners D is acceptable as long as both lots are landmarked.

- Both lots need to be landmarked – this is a must. I think the garage needs to be moved. This will allow the buyer to use it in context and the buyer of the empty lot to have room to build a garage. Option D is too busy!! No L.A.

Option D Comments

Subdivision of lot with additional new construction allowed above the existing zoning standards (scenarios A & C) and below separate calculations (scenario B)
Allows additional square footage

- The most reasonable option.
- I think that the application for historic status is so weak, that it does not deserve its own lot.
- Option D seems to be really the only reasonable solution to all interested parties.
- This option (D) seems the most reasonable compromise that fulfills preservation yet allows for appropriate owner development –Anna Schubert
- Option D with the landmark boundary encompassing both lots is a balanced solution. Best option!
- Do not landmark the lot that will have the new construction.
- I Like D for the sizes of houses but C for landmarking both properties.
- D would be somewhat O.K. if both lots were landmarked. –Don & Lisa Reichert
- D- bigger house more likely to be a family residence but we want city to retain enough architectural control to make sure house fits in with the neighborhood. –Ann & Jim Scarboro.
- A neighbor: No landmarking- consider the wishes of the owners!!
- D is going in right direction. Would be better if new lot is landmarked to have influence on design compatibility.
- Like this option best. Gives owners most flexibility. –C. Hamm
- I support smaller houses in the neighborhood, to allow (slightly less) affluent families to move in. (C,D)
- Permitting the division of lots to preserve smaller older homes may be a good idea- with careful regulation!
- I think I would prefer the division of this lot taking place in a historically designated district. All the choices are not perfect, but a division with designation for the original house is next best option.
- I support option D to allow the property owners more leeway as far as the size of the dwelling but would like to see some form of protection of the second lot, i.e. landmark status.

Options Analysis for 747 12th Street

		Scenario A Landmarking of Property & Development of the Lot Under Existing Standards	Scenario B Subdivision; FAR/Building Coverage Calculations Based on 2 Separate Lots	Scenario C Subdivision; Existing FAR/Building Coverage Calculations Split between 2 Lots	Scenario D Subdivision; FAR/Building Coverage Calculations Average Between Scenarios B &C
1	**Protect and Enhance Significant Buildings** **Chapter 9-11-1(a), B.R.C., 1981 *Purpose and Legislative Intent*** *The purpose of this chapter is to promote the public health, safety and welfare by protecting, enhancing and perpetuating buildings, sites and areas of the city reminiscent of past eras, events and persons important in local, state or national history …….”* **Preservation of Cultural and Historic Resources (BVCP 2.24)** *The city and county will identify, evaluate and protect buildings, structures, objects, districts, site and natural features of historic, architectural, archaeological, or cultural significance …”* **Encourage Preservation of Historic Resources (HP Plan)**	**Pros:** House and garage preserved and protected through landmark designation New construction reviewed through historic preservation program to ensure compatibility. **Cons:** Addition to house may result in awkward form/layout	**Pros:** House and garage preserved and protected through landmark designation **Cons:** New construction may overwhelm historic house and garage – no design review for construction on north lot.	**Pros:** House and garage preserved and protected through landmark designation Construction on second lot reviewed through historic preservation program to ensure compatibility.	**Pros:** House and garage preserved and protected through landmark designation **Cons:** North lot not subject to historic preservation design review
2	**Draw a reasonable balance between private property rights and the public interest in preserving the city’s heritage** **Chapter 9-11-1(b), B.R.C., 1981 *Purpose and Legislative Intent*** *The city council does not intend by this chapter to preserve every old building in the city but instead to draw a reasonable balance between private property rights and the public interest in preserving the city's cultural, historic and architectural heritage ….”*	**Pros:** House and garage preserved and protected through landmark designation Specific ordinance language allows greater degree of predictability for development of the site by identifying character-defining features of the property. **Cons:** Property owners do not support this option.	**Pros:** Property owners support this option. House and garage preserved and protected through landmark designation **Cons:** Allowing additional development potential in exchange for landmark designation may not represent a balance of private property rights and the public interest.	**Pros:** Staff and the Property owners support this option. House and garage preserved and protected through landmark designation	**Pros:** Property owners support this option. House and garage preserved and protected through landmark designation **Cons:** Allowing additional development potential in exchange for landmark designation may not represent a balance of private property rights and the public interest.

3	**Consistent with the BVCP Land Use Map and Zoning Regulations**	Pro: Consistent with BVCP Land Use Designation, existing zoning of low density residential, and minimum lot size requirements.	Con: Would result in the creation of two non-standard lots that are below the minimum lot size of 7000 square feet, exceeding current allowed density and allowing an additional dwelling unit on the property	Con: Would result in the creation of two non-standard lots that are below the minimum lot size of 7000 square feet, exceeding current allowed density and allowing an additional dwelling unit on the property.	Con: Would result in the creation of two non-standard lots that are below the minimum lot size of 7000 square feet, exceeding current allowed density and allowing an additional dwelling unit on the property.
		Scenario A	**Scenario B**	**Scenario C**	**Scenario D**
4	**Protect Neighborhood Character** **Protection and Enhancement of Neighborhood Character (BVCP 2.10)** *The city will work with neighborhoods to protect and enhance neighborhood character and livability …….. The city will seek appropriate building scale and compatible character in new development or redevelopment….”* **Sensitive Infill and Redevelopment (BVCP 2.30)** *With little vacant land remaining in the city, most new development will occur through redevelopment. The city will gear subcommunity and area planning and other efforts toward defining the acceptable amount of infill and redevelopment …….. The city will also develop tools, such as neighborhood design guidelines, to promote sensitive infill and redevelopment.*	**Pros:** New construction on the property would be reviewed by the historic preservation program to ensure compatibility with the historic character of the property. **Cons:** May result in awkward form/layout	**Pros:** Existing buildings will be preserved. Exterior changes to landmarked south lot and garage may help ensure sensitive redevelopment in those areas **Cons:** Creation of two non-standard 6,230 sq. ft. lots in area where average lot size is over 10,000 sq. ft. Houses would likely not achieve appropriate building scale or compatible character. Mass and scale of houses may be out of character with streetscape given relatively small lot sizes after subdivision. No design review for new construction on north lot	**Pros:** Existing buildings preserved. Houses more proportional to lot size for area and neighborhood as a whole. Mass and scale of houses may be in character with streetscape give relatively small lot sizes after subdivision. Landmarked south lot would be subject to historic design review Creation of two non-standard 6,230 sq. ft. lots in area where average lot size is over 10,000 sq. ft.	**Pros:** Existing buildings preserved; Houses more proportional to lot size for area and neighborhood as a whole; Mass and scale of houses may be in character with streetscape give relatively small lot sizes after subdivision. **Cons:** Creation of two non-standard 6,230 sq. ft. lots in area where average lot size is over 10,000 sq. ft. Houses may not achieve appropriate building scale or compatible character Landmarked south lot would be subject to historic design review.
5	**Develop Historic Preservation Tools** **Historic Preservation/Conservation Tools (BVCP 2.28)** The city will develop a variety of tools that address preservation and conservation objectives within the community. Specific tools that address historic preservation and conservation objectives will be matched to the unique needs of specific areas. Preservation tools may include incentives programs, designation of landmark buildings and districts, design review, and public improvements. Conservation districts, easements and other tools may be applied in areas that do not qualify as local historic districts but contain features that contribute to the quality of the neighborhood or community. These could include historic resources that have lost integrity, neighborhoods with significant character but that are not historically significant, and scattered sites that share a common historic or architectural theme.	No new tools or incentives proposed; **Pros:** Use of historic preservation tax incentives as well as relief from compatible development regulations and possibly setbacks.	**Pros:** Subdivision aligns with Landmarks Board proposed housing tool. Subdivision of lot to protect historic buildings innovative approach **Cons:** Allows for construction that may be out of scale with historic buildings on property; Does not allow for design review of new construction on new north lot; May set precedent lot split becomes expectation in exchange for landmark designation;	**Pros:** Subdivision aligns with Landmarks Board proposed housing tool; Provides for new construction on lot that would likely be compatible with historic buildings (mass, scale, lot coverage); Subdivision of lot to protect historic buildings innovative approach; Limiting size of new construction to split FAR increases public benefit by ensuring development more proportional to lot size. **Cons:**	**Pros:** Subdivision aligns with Landmarks Board proposed housing tool; Provides for new construction on lot that would may be compatible with historic buildings (mass, scale, lot coverage); Subdivision of lot to protect historic buildings innovative approach. **Cons:** Does not allow for design review of new construction on new north lot; May set precedent lot split becomes expectation in exchange for landmark

	Explore creative and innovative initiatives to encourage historic preservation (HP Plan Objective) **Initiate New Incentives (HP Plan 1.6)**		Questionable level of public benefit in exchange for lot split.	May set precedent lot split becomes expectation in exchange for landmark designation.	designation; Questionable level of public benefit in exchange for lot split
6	**Explore Ways to Preserve Smaller Buildings that are Eligible for Landmark Designation (HP Plan 1.3)** *Many of Boulder's working-, and middle-class houses and those associated with Boulder's early history are modest in both size and architectural detailing.*	**Pros:** Ordinance would articulate what is important about house; may encourage the preservation of a small house but addition could result in a significantly larger building than currently.	**Pros:** May encourage landmark designation of small houses on large lot by allowing subdivision **Cons:** Could result in a significantly larger building than currently on south lot Does not landmark north lot and could result in house that overwhelms Cowgill house and affects garage negatively	**Pros:** May encourage landmark designation of small houses on large lot by allowing subdivision; Provides for two smaller houses.	**Pros:** May encourage landmark designation of small houses on large lot by allowing subdivision; Provides for two moderately scaled houses.

ORDINANCE NO. 8029

AN ORDINANCE DESIGNATING THE BUILDINGS AND PROPERTY AT 747 12TH ST., CITY OF BOULDER, COLORADO, ALSO KNOWN AS THE COWGILL PROPERTY, A LANDMARK UNDER CHAPTER 9-11, "HISTORIC PRESERVATION" B.R.C. 1981, AND SETTING FORTH DETAILS IN RELATION THERETO.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section l. The council enacts this ordinance pursuant to its authority under Chapter 9-11, "Historic Preservation," B.R.C. 1981, to designate as a landmark a property having a special character or special historic, architectural, or aesthetic interest or value.

Section 2. The City Council finds that: 1) on or about October 1, 2014, the Landmarks Board passed a resolution to initiate landmark designation for the property at 747 12th St. 2) the Landmarks Board held a public hearing on the proposed designation on January 7, 2015; and 3) on January 15, 2015, the board recommended that the council approve the proposed designation.

Section 3. The City Council also finds that upon public notice required by law, the council held public hearings on the proposed designation on February 3, 2015 and May 28th, 2015 and upon the basis of the presentations at those hearing finds that the building and the property at 747 12th St. does possess a special character and special historic, architectural, or aesthetic interest or value warranting its designation as a landmark.

Section 4. The characteristics of the subject property that justify its designation as a landmark are: 1) its historic significance is relevant to its construction in 1916, its association with the Cowgill family, who opened a convalescent home for tuberculosis patients and later operated the Mesa Vista Sanatorium, and for its association with the development of Boulder;

and 2) its architectural significance indicative of an example of a bungalow influenced house and adjacent garage, and; 3) its environmental significance for its location within the potential University Hill Historic District, which retains its residential historic character and 4); The historic value of the garages is in part based upon its location on the alley. The council authorizes moving the garage, subject to the approval of an alteration certificate, so long as it remains along the alley frontage of LOTS 35-38, inclusive, Block 32, University Place. The description of the landmark boundary shall be thereafter amended to the new location of the garage.

Section 5. The City Council further finds that the foregoing landmark designation is necessary to promote the public health, safety, and welfare of the residents of the city.

Section 6. There is hereby created as a landmark the house and property located at 747 12th St., and adjacent garage, together to be known as the Cowgill Property, whose legal landmark boundaries encompasses a portion of the legal lots upon which they sit:

LOTS 35-36 INC BLK 32 UNIVERSITY PLACE

A TWO FOOT BOUNDARY AROUND THE GARAGE LOT 37, BLK 32 UNIVERSITY PLACE

as depicted in the proposed landmark boundary map, attached hereto as Exhibit A.

Section 7. The council directs that the department of Community Planning and Sustainability give prompt notice of this designation to the property owner and cause a copy of this ordinance to be recorded as described in Subsection 9-11-6(d), B.R.C. 1981.

Section 8. The council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON SECOND READING, AND ORDERED PUBLISHED BY TITLE ONLY THIS 1ST DAY OF SEPTEMBER, 2015.

_____

Mayor

Attest:

_____

City Clerk

READ ON THIRD READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY THIS _____ DAY OF _____, 2015.

_____

Mayor

Attest:

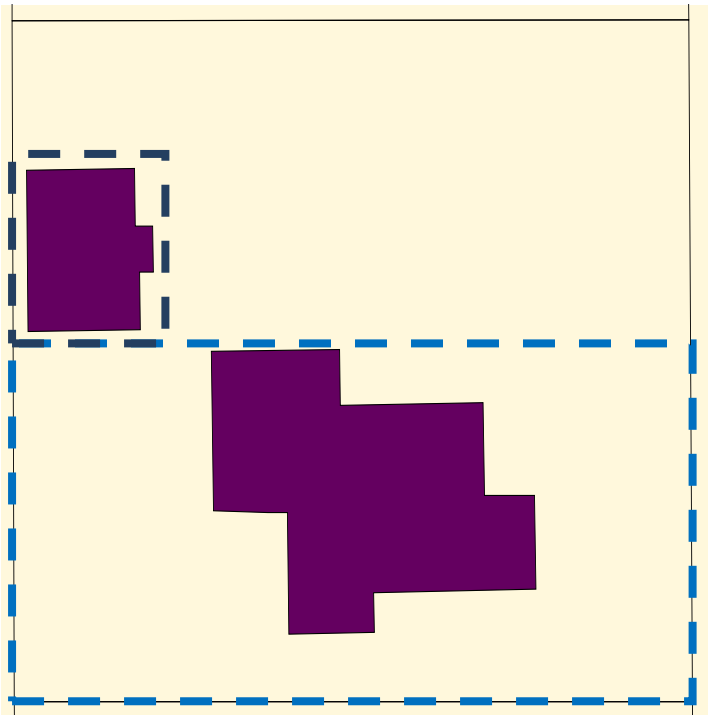
_____

City Clerk

Exhibit A – Landmark Boundary Map for 747 12th St.

LOTS 35& 36 INC BLK 32 UNIVERSITY PLACE

A TWO FOOT BOUNDARY AROUND THE
GARAGE LOT 37, BLK 32 UNIVERSITY PLACE



ORDINANCE NO. 8075

AN ORDINANCE AUTHORIZING THE APPROVING AUTHORITIES UNDER TITLE 9, "LAND USE CODE," B.R.C. 1981, TO APPROVE THE SUBDIVISION OF ONE BUILDING SITE INTO TWO BUILDING SITES FOR A PROPERTY GENERALLY DESCRIBED AS 747 12TH STREET AND AS AN AMENDMENT TO TITLE 9, "LAND USE CODE," TO WAIVE OR MODIFY CERTAIN LAND USE REGULATIONS INCLUDING STANDARDS RELATED TO THE MINIMUM LOT SIZE, SETBACKS, AND BUILDING SEPARATION IN ORDER TO MEET CITY HISTORIC PRESERVATION OBJECTIVES, AND SETTING FORTH RELATED DETAILS..

THE CITY COUNCIL OF THE CITY OF BOULDER FINDS AND RECITES:

A. After reviewing a demolition permit application that was submitted on behalf of the owners of Lots 35 – 38, Block 32, University Place, City of Boulder, County of Boulder, State of Colorado, also know as 747 12th Street (the "Property"), the Landmarks Board initiated an application for designation of the Property as an individual landmark under Chapter 9-11, "Historic Preservation," B.R.C. 1981.

B. The city council is interested in preserving the existing buildings that are located on the Property, as further explained and described in Ordinance No. 8029.

C. Several persons have advocated for or opposed the effort to designate the Property as an individual landmark.

D. The city council requested that the city manager and the owner of the Property discuss reasonable development options for the Property that preserve indentified historic resources on the Property that meet both city historic preservation objectives as well as owner objectives.

E. The Boulder Valley Comprehensive Plan provides that "the city will develop a variety of tools that address preservation and conservation objectives within the community, including incentive programs." BVCP §2.28. This ordinance implements the Boulder Valley Comprehensive Plan.

F. Modifying the subdivision standards is appropriate in this case due to the exceptionally high architectural, historic and environmental significance of the house and garage, the location of the buildings on one side of the lot, and the size of the lot that is approximately 1,500 sq. ft. less than the minimum lot size for two lots.

G. This ordinance is intended to draw a reasonable balance between private property rights and the public interest in preserving the city's cultural, historic, and architectural heritage by ensuring that demolition of buildings and structures important to that heritage will be carefully weighed with other alternatives.

H. The purpose of this ordinance is to permit the subdivision of the property that would otherwise not meet the requirements of the land use code and provide an incentive for historic preservation of the buildings on the Property.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER COLORADO:

Section 1. The city council authorizes the city manager to approve a subdivision creating two lots on the property together with any permits or approvals necessary to permit construction of an additional principal building on the Property after such subdivision. The lots within the subdivision are subject to the following:

a. The total permitted floor area ratio that is permitted on the property shall not exceed the amount that would apply to the entire property when calculated as a single building site.

b. The floor area will be allocated to each lot based upon the proportion of the lot to the Property. By mutual agreement of the lot owners, up to 330 square feet of floor area may be transferred between the lots.

c. The lots shall be generally consistent with Lots 35 and 36 comprising one lot and Lots 37 and 38 comprising the other lot. The final configuration of the two lots shall be determined through the subdivision process.

d. The review for the initial construction of a new dwelling unit and garage on lots 37 and 38 shall be subject to the requirements of the General Design Guidelines for Boulder's Historic Districts and Individual Landmarks (Nov. 2007) for new primary structures. The city manager will be the approving authority for the design review. The review may be done prior to or concurrent with a building permit application

Section 2. The city council authorizes the city manager to waive or modify any standard in Title 9, "Land Use Code," B.R.C. 1981:

a. Any waiver or modification will not directly impact the surrounding property owners. A waiver or modification that directly affects a surrounding property owner includes without limitation encroaching into a side yard setback next to a neighboring property or creating a solar access encroachment on such property.

b. Any waiver or modification will not alter the essential character of the neighborhood; will not substantially impair the reasonable use of adjacent property; and is the minimum waiver or modification that is necessary to allow subdivision of the Property and allow a reasonable use of the newly created lots.

c. It is anticipated, that in order to carry out the requirements of this ordinance, the city may need to waive or modify standards related to lot area per dwelling unit, minimum lot size, the separation and setbacks for the buildings between the two lots, and solar access requirements between the two lots.

d. The city manager is authorized to waive building and energy code requirements related to insulating the historic structures or replacing windows on the structures as part of the building permit process.

e. Approved waivers or modifications associated with Title 9, "Land Use Code," B.R.C. 1981 shall be documented in a subdivision agreement associated with the creation of the two lots.

Section 3. All other City of Boulder ordinances and regulations that have not been specifically mentioned herein continue to apply to the Property. Nothing in this ordinance shall prevent a lot owner from making any other request related to the Property, including without limitation variances that may be permitted pursuant to § 9-2-3, "Variances and Interpretations," B.R.C. 1981.

Section 4. This ordinance shall be considered an amendment to Title 9, "Land Use Code," B.R.C. 1981. To the extent that this ordinance conflicts with any other ordinance of the city, such ordinance shall be suspended for the limited purpose of implementing this ordinance. Nothing in this ordinance shall be construed as a waiver of the city's police power. A violation of this ordinance shall be a violation of Title 9, "Land Use Code," B.R.C. 1981.

Section 5. The city council finds that this ordinance furthers important historic preservation goals for the City of Boulder. Further, the city council finds that the benefits of the city's historic preservation goals made possible through this ordinance outweigh benefits that accrue to the city's ordinances that are waived by this ordinance.

Section 6. This ordinance is necessary to protect the public health, safety, and welfare of the residents of the city, is consistent with the goals and policies of the Boulder Valley Comprehensive Plan, and covers matters of local concern.

Section 7. The city deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 1st day of September, 2015.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this _____ day of _____, 2015.

_____
Mayor

Attest:

_____
City Clerk

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: May 28, 2015

AGENDA TITLE:
Continuation of the second reading and consideration of a motion amending and adopting Ordinance No. 8029 designating the building and property at 747 12th St., to be known as the **Cowgill Property**, as an individual landmark under the city's Historic Preservation Ordinance.

Owner: 747 Twelfth Street, LLC
Applicant: Landmarks Board

PRESENTERS:
Jane S. Brautigam, City Manager
David Driskell, Executive Director of Community Planning & Sustainability
Susan Richstone, Deputy Director of Community Planning & Sustainability
Tom Carr, City Attorney
David Gehr, Senior Assistant City Attorney
Lesli Ellis, Comprehensive Planning Manager
James Hewat, Senior Historic Preservation Planner
Marcy Cameron, Historic Preservation Planner

EXECUTIVE SUMMARY:
On March 3, 2015 the City Council held a quasi-judicial hearing to determine whether the proposed individual landmark designation of the property at 747 12th St. meets the purposes and standards of the Historic Preservation Ordinance *(Sections 9-11-1 and 9-11-2, B.R.C. 1981)*, in balance with the goals and policies of the Boulder Valley Comprehensive Plan.

The City Council continued the public hearing to provide time to visit the property and to allow the property owner/prospective buyer and city staff to meet to explore options to develop the property and preserve the historic resources. The City Council made sites visits March 30, 2015 and April 1, 2015. On April 14, 2015 the City Council met to disclose *ex parte* contacts as a result of the site visits and closed the public hearing with an understanding that findings of fact on the case would occur at a later City Council meeting. In the interim, staff has met with the property owners and prospective owners three times to discuss development options for the property.

The owner/prospective owners have indicated they would like to move forward with Option 2 to include landmarking the eastern portion of the property, relocating and landmarking the garage, removing most of the historic northwest addition to the house, be granted a 10' rear setback (where 25' is required) and be assured that they would be able to maximize the floor area ratio (FAR) for the property (see *Attachment A,* Figure 2). If the City Council chooses not to support Option 2, the applicant proposes to withdraw the demolition application on the condition that the City Council deny the current application to Landmark.

Staff is not in support of the owner/prospective owner's preferred option in that it would not adequately protect the historic resources or views into the property from 12th Street, and that it is inconsistent with the standards established for historic resource designation, potentially setting a negative precedent for designations in residential neighborhoods. Please see analysis section of this memo and *Attachment A*.

Staff would support Options 1, 3, or 4 and consider each of these options would meet the intent and purposes of the Historic Preservation Ordinance 9-11-1 and 9-11-2 of the Boulder Revised Code, 1981 (see staff analysis below). Staff's suggested motion below is based upon Option 3 and can be amended as determined by the City Council at its May 28, 2015 meeting.

Suggested Motion Language:
Staff requests the City Council's consideration of this matter and action in the form of the following motion:

Motion to amend and adopt ordinance No. 8029 designating the property at 747 12th St., to be known as the Cowgill Property (as outlined in Option 3 below), as an individual landmark under the City of Boulder's Historic Preservation Ordinance.

Motion to adopt the following findings and conclusions:

FINDINGS AND CONCLUSIONS
The City Council finds, based upon the application and evidence presented, that the proposed designation application is consistent with the purposes and standards of the Historic Preservation Ordinance, in balance with the goals and policies of the Boulder Valley Comprehensive Plan, and:

1. The proposed designation will protect, enhance, and perpetuate a building reminiscent of a past era and important in local and state history and provide a significant example of architecture from the past. Sec. 9-11-1(a), B.R.C. 1981.
2. The proposed designation will maintain an appropriate setting and environment and will enhance property values, stabilize the neighborhood, promote tourist trade and interest, and foster knowledge of the city's living heritage. 9-11-1(a), B.R.C. 1981.
3. The buildings proposed for designation have exceptionally high architectural, historic and environmental significance. The property is associated with Marthana and Josephine Cowgill, who cared for tuberculosis patients in the house prior to purchasing the Mesa Vista Sanatorium; the property possesses a high level of architectural integrity as an example of architecture of that period,

and the property has been identified as contributing resource to the identified potential University Hill local and National Register of Historic Places District. Sec. 9-11-2(a)(1), B.R.C. 1981.

4. In this case, designation over an owner's objection is appropriate because (i) the house and garage are of exceptionally high architectural, historic, and environmental significance; (ii) the house and garage are in need of protection provided through the designation as the buildings are proposed for demolition; and (iii) it has not been demonstrated that the cost of restoration or repair would be unreasonable or that it would not be feasible to preserve the buildings and incorporate them into future development plans.
5. The proposed designation draws a reasonable balance between private property rights and the public interest in preserving the city's cultural, historic, and architectural heritage by ensuring that demolition of buildings important to that heritage will be carefully weighed with other alternatives. Due to the location of the house on the south side of the lot, and the gradual grade change away from the house, redevelopment of the site in a manner that preserves the historic buildings and provides for a modern residential use will be possible if the property is individually landmarked. 9-11-1(b), B.R.C. 1981.
6. The provisions of proposed Ordinance No. 8029 and this Memorandum are incorporated into these findings and conclusions by this reference.

LANDMARKS BOARD ACTION

On October 1, 2014, the Landmarks Board passed a resolution to initiate landmark designation pursuant to § 9-11-3, *Initiation of Designation for Individual Landmarks and Historic Districts,* B.R.C. 1981, finding that it met the criteria for Individual Landmark Designation.

On January 7, 2015, the Landmarks Board voted (4-0, **F. Sheets** absent) to recommend to City Council that the property at 747 12th St., to be known as the Cowgill Property, be designated as a local historic landmark, finding that it meets the standards for individual landmark designations in sections 9-11-1 and 9-11-2, B.R.C. 1981, and is consistent with the criteria specified in section 9-11-5(c), B.R.C. 1981. Staff recommended that the Landmarks Board recommend landmark designation for the property.

PUBLIC FEEDBACK

The property is owned by the 747 12th St., LLC, which is comprised of members of the Johnson family who have owned the property since 1970. The property owners and applicant oppose the landmark designation.

At the March 3, 2015 City Council meeting, a number of people spoke in favor of as well as in opposition to landmark designation of the property.

At the January 7, 2015 Landmarks Board meeting, comments from the owner's representative included that the property does not possess architectural, historic or environmental significance, and that the Cowgill sisters later resided at 2107-2109 Bluff St. and that they also took in boarders there. He stated that the Cowgills built the Terrace-style

building and that the building was more conducive to caring for tubercular patients as the porch extends the width of the façade.

At the January 7, 2015 Landmarks Board meeting, twelve members of the public spoke to the item. Six members of the public, most of whom live in the immediate area, spoke in support of the landmark designation. A representative of Historic Boulder, Inc. also spoke in support of landmark designation. Five members of the public, including two of the property owners and the potential buyer, spoke in opposition of the designation. The board received four letters expressing opposition to landmark designation prior to the hearing.

At the demolition hearing at the September 3, 2014 Landmarks Board hearing, four neighbors spoke in opposition to the demolition of the house and presented a letter in support of its preservation signed by 51 Boulder residents.

At the first reading of the ordinance by the City Council on February 3, 2015 two members of the public spoke in opposition to the designation and five spoke in support of designation.

Figure 1. Façade, 747 12th St., 2014.

BACKGROUND

This designation, initiated by the Landmarks Board, is opposed by the property owners. On October 1, 2014, the Landmarks Board passed a resolution to initiate landmark designation and on January 7, 2015, the Landmarks Board voted (4-0, **F. Sheets** absent) to recommend to City Council that the property at 747 12th St. be designated as a local historic landmark.

The first reading of the ordinance was approved by City Council on Feb. 3, 2015. On March 3, 2015 the City Council held a quasi-judicial hearing to determine whether the proposed individual landmark designation of the property at 747 12th St. meets the purposes and standards of the Historic Preservation Ordinance *(Sections 9-11-1 and 9-11-2, B.R.C. 1981)*,

in balance with the goals and policies of the Boulder Valley Comprehensive Plan (see March 3, 2015 City Council Memo).

- The City Council continued the public hearing to provide time to visit the property and directed staff to explore options for development of the property with the owners. The City Council members made site visits on March 3, 2015 and April 1, 2015.
- On April 14, 2015 the City Council met to disclose *ex parte* contacts as a result of the site visits and closed the public hearing with an understanding that findings of fact on the case at a special City Council meeting to be held at a later date.
- Comprehensive Planning and Sustainability and City Attorney Office staff met with the property owners/prospective buyers on April 7th, April 16th, May 6th and May 14th to discuss development of the property in the context of landmark designation.
  These discussions were based upon development potential of the property if:
  1. All or part of the site was landmarked and the existing house was to be added to;
  2. All or part of the site landmarked and the property sub-divided to create two non-standard lots (each 6,500 sq. ft. +/- and requiring a special ordinance).
  3. All or part of the site was landmarked, the house added to and a new accessory dwelling unit allowed.
  - Three scenarios were examined including designating part of the property providing for limited historic design review of the proposed new construction, designating all of the property and identifying areas of new construction subject to historic review in the designating ordinance, and subdivision of the lot into two non-standard lots. All of these options provided for relief from some zoning standards and the relocation of the garage to provide for development of the maximum floor area for Residential-Low 1 (RL-1) (*see Attachment A*).
  - Following discussions on April 16, historic preservation staff created a massing model showing a potential building envelope for an addition that would preserve the house and significant portions of the northwest addition visible from 12th street, while maximizing the Floor Area Ratio (FAR) for the property, meeting height, solar, bulk plane requirements, and requiring only a variance to the required 25' rear yard setback) (*see Attachment A).*
  - At the May 6, the property owners/prospective buyers indicated the proposed massing study would not work for their planned development of the property.
  - At the May 14 meeting, the property owners/prospective buyers indicated they were not interested in pursuing the subdivision option for the property.
  - On May 15, the property owners/prospective buyers indicated that their preferred option is that identified in *Attachment A* as Figure 2, which calls for a portion of the property to be landmarked, removal of most of the northwest addition, retention of the south addition, allowance for an addition to the north and west maximizing the FAR, relocation of the garage to the southwest corner of the lot proposed reduction of the rear yard setback from 25' to 10'.

OPTIONS

Based upon discussions with the property owners/prospective buyers about development of the property in the context of Individual Landmark Designation as outlined in *Attachment A*, staff has identified the following four options for the City Council's consideration:

OPTION 1: Consideration of the Landmark Property as Proposed at March 3rd Hearing

Pros:

- Historic house, garage and property would be preserved and protected.
- Design review through a Landmark Alteration Certificate (LAC) would protect the historic resources and help ensure appropriate new construction on the entire property.
- Ability to take of historic preservation incentives including relief from compatible develop regulations, permit fee waiver and state/federal tax credits.

Cons:

- Property owners/prospective buyers would have less surety as to size, design and configuration of new construction of property.

OPTION 2: Landmark Portion of Property as Proposed By Owner/Prospective Owner (*Attachment A,* Figure 2).

Pros:

- Portion of house and garage would be preserved and protected.
- Applicant would be able to maximizing FAR in the underlying zoning district.

Cons:

- Allows for removal of a significant amount of historic northwest addition and loss of historic integrity of the property.
- Relocated garage is proposed to be located outside the proposed landmark boundary
- Landmarking only a portion of the property will not protect the immediate context of the house and garage and is inconsistent with precedent for establishing landmark boundaries, especially in residential context.
- Landmarking only a portion of the property could result in new construction that may be incompatible with the historic character of the property highly visible from 12th Street.

OPTION 3: Landmark Property with Modified Ordinance to Assure Maximum FAR, Allow Garage Relocation, and Describes Areas of Flexibility for New Construction (*Attachment A,* Figures 3, 4 & 5)

Pros:

- Protects garage and historically significant portions of the house including the east wall and most of north wall of the historic northwest addition
- Emphasizes significance of areas of house visible from 12th Street and provides historic design review for portions of new construction visible from that right-of-way
- Provides owner/prospective owner with surety that maximum FAR allowed in the RL-1 zoning district can be achieved and provides for flexibility in design of new construction not visible from 12th Street
- Provides ability to take of historic preservation incentives including relief from compatible develop regulations, permit fee waiver and state/federal tax credits

Cons:

- May allow for more of historic fabric of house to be altered and/or construction of less compatible addition at rear of property

OPTION 4: Owner/Prospective Buyer Withdraws Demolition Application, Requests that the City Council Will Deny the Landmark Designation Application.

Pros:

- Would meet the intent and purposes of the Historic Preservation Ordinance in that imminent threat to the property would be removed as defined in 9-16 *Demolition* (Historic) B.R.C., 1981 if the demolition application were to be withdrawn.

Cons:

- No historic review will be required; possibility that historic integrity of property will be affected by incompatible additions and new free-standing construction or by future proposal to removal portions of the building that do not meet the definition of "Demolition (historic) in Section 9-16, B.R.C., 1981.
- Does not provide applicant with relief from zoning requirements, tax credits or the historic preservation permit fee waiver

ANALYSIS:

OPTION 2 – The Property Owner Proposal

The owner/prospective owner have requested that the City Council landmark a portion of the property with the relocated garage out of the proposed landmark boundary, allow for variances to the rear yard setback so that they potential to build to the maximum FAR (approximately 4,400 sq. ft.)(*see Attachment A*, Figure 1).

Staff considers that this proposal, would not adequately protect the historic resources or views into the property from 12th Street, and that it is inconsistent with the standards established for historic resource designation, and will potentially set a negative precedent for designations in residential neighborhoods.

If the City Council chooses this option, it will need to amend the ordinance passed at first reading with a new legal description, as shown by the applicant. Also, Option 2 includes a request for the ability to construct the principal building within the rear yard setback. This will allow building mass up to 35 feet in height within 10 feet of the rear property line, rather than the 20 height requirement that is the maximum height for accessory buildings that are located in the rear yard principal building setback.

If the City Council selects option 2, the staff will need to bring back a subsequent ordinance that will allow addition principal building construction in the rear yard setback.

OPTION 3 - The Staff Proposed Amendments to the Designation Ordinance.

This option calls for the entire property be landmarked providing for limited design review to the existing house and proposed addition at the rear of the property. In this scenario, the applicant would be assured the ability to relocate the garage on-site, achieving maximum FAR for the property and relief from the rear yard setback (*Attachment A*, Figures 3, 4, & 5).

Subsection 9-11-6 (c), B.R.C. 1981 provides that the ordinance designating a landmark can include both a description of the particular features that should be preserved as well as alterations that would have a significant impact upon or be potentially detrimental to the landmark site. The proposed amendments to the preservation ordinance include a detailed

description of what is important to be preserved as well as areas that are eligible for modifications.

The digital modeling prepared by staff indicates that under this scenario, maximum development of the property could be achieved while appropriately preserving important character defining features of the property including the main house, the historic garage, the majority of the east and north walls of the northwest addition and important views into the property from 12th Street.

Staff considers that this option conforms with the purposes and standards in Section 9-11-1 "Legislative Intent" and 9-11-2 "City Council May Designate Landmarks and Historic Districts" of the Historic Preservation Ordinance in that it draws a fair balance between private property rights by allowing for considerable development on the property and the public interest, while ensuring that important historic character defining features and views into the property from 12th Street are protected.

The ordinance (*Attachment C*) anticipates that change will occur on the property and specifically states that it is not the intent of designation to remove any of the additional building that is allowed on the property. It also provides a great deal of specificity about which architectural components of the building are important from a historic preservation perspective.

OPTION 4 - Withdrawal of Demolition Application, City Council Disapproves Landmark Designation Application

Staff considers that as an alternative to Options 1 and 3, Option 4 would meet the intent and purposes of the Historic Preservation Ordinance in that the imminent threat to the property would be removed as defined in 9-16 *Demolition* (Historic) B.R.C., if the demolition application were to be withdrawn. This recommendation is based upon the disapproval being contingent upon the understanding that a new demolition application not be submitted by any owner of the property within a year of the Landmark designation disapproval.

The City Council may approve, modify or not approve the ordinance designating 747 12th Street as Individual Local Landmark.

ATTACHMENTS:

A: Options for Redevelopment of Property
B: Ordinance No. 8029
C: Ordinance No. 8029 with amendments intended to implement Option 3
D: March 3rd, 2015 Memorandum to the City Council

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE

Consideration of a motion to adopt Resolution No. 1171 concerning endorsement of projects of the Mental Health Center of Boulder County, Inc. D/B/A Mental Health Partners that includes the remodeling of 1000 Alpine Ave. (Boulder) and the purchase of land and office building located at 1455 Dixon Ave. (Lafayette) and a recommendation that the Board of County Commissioners of the County or other appropriate issuing authority issue tax-exempt revenue bonds for Mental Health Partners and setting forth related details.

PRESENTER/S

Jane S. Brautigam, City Manager
Thomas A. Carr, City Attorney
Bob Eichem, Chief Financial Officer
David Gehr, Deputy City Attorney.
Karen Rahn, Human Services Director

EXECUTIVE SUMMARY

Boulder County is providing conduit bond financing to Mental Health Partners so that it may secure financing for two of its projects, the remodel and renovation of a building that it owns at 1000 Alpine Ave. and to purchase a property in Lafayette located at 1455 Dixon Avenue. The City is not directly involved in the transaction.

When facilitating this type of tax-exempt bond financing, The Boulder County Commissioners request the endorsement and recommendation of the local communities. The purpose of this agenda item is to provide the Boulder City Council an opportunity to endorse the projects and recommend that the Boulder County Commissioners assist Mental Health Partners with a bond financing transaction that will assist in providing county-wide mental health services.

STAFF RECOMMENDATION

Suggested Motion Language:
Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt a resolution concerning endorsement of projects of Mental Health Partners that includes the remodeling of 1000 Alpine Ave. (Boulder) and the purchase of land and office building located at 1455 Dixon Ave. (Lafayette) and a recommendation that the Board of County Commissioners of the County or other appropriate issuing authority issue tax-exempt revenue bonds for Mental Health Partners as described in the resolution that is attached to this memorandum.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic – This specific request is to request that council endorse and recommend to the Boulder County Commissioners to facilitate the county's bond issuance for Mental Health Partners. There is no fiscal obligation of the city in this request and no tax money or other municipal revenues are pledged for their retirement.

- Environmental – Environmental impacts of this transaction are anticipated to be minimal as Mental Health Partners will be purchasing and renovating existing buildings that will be used to assist it in pursuing its non-profit mission.

- Social – The County's assistance to Mental Health Partners will help further a number of Boulder Valley Comprehensive Plan policies related to human services, social equity, and community health by providing important mental health services to a diverse range of residents and visitors.

OTHER IMPACTS

- Fiscal – This effort will not have a fiscal impact on the city

- Staff time – The work associated with this effort will be completed in the context of the normal work plan. Additional staff resources will not be required.

PUBLIC FEEDBACK

This matter is before the city council at the request of Mental Health Partners and the Boulder County Commissioners.

BACKGROUND

Mental Health Partners is a nonprofit organization that was founded to "restore and enhance mental health, irrespective of personal income or circumstance," and celebrated its 50th anniversary in 2012. With facilities in Boulder, Longmont and Broomfield, and serving in partnership with the County, local human services agencies, schools, health care clinics, day-care providers, employers, law enforcement, senior centers and other nonprofits, Mental Health Partners served more than 17,000 people in 2012 and responded to nearly 13,000 emergency phone calls from individuals and families. More information can be found on its website at http://www.mhpcolorado.org/.

The two projects that are described in this memo are intended to help Mental Health Partners further its mission.

ANALYSIS

The Boulder County Commissioners request City Council endorsement of the projects and recommendation that it facilitate tax-exempt bond financing and act as a conduit for a nonprofit organization. The Boulder County Commissioners will assist Mental Health Partners with this bond financing transaction that will assist it in providing county-wide mental health services. There is no legal requirement for the endorsement and recommendation. Rather, the County Commissioners make this request in the spirit of intergovernmental cooperation.

Mental Health Partners seek to renovate the facility that it owns at 1000 Alpine Ave. and to purchase some property with a building in Lafayette. The 1000 Alpine Ave. project is to remodel the property so that it can expand clinical use space in that building. Mental Health Partners also intends to purchase and renovate an office building located at 1455 Dixon Avenue, Lafayette, Colorado. This property will serve as the organization's administrative offices.

Mental Health Partners and the County have enjoyed a successful working relationship which has spanned many years. In 2014, the County acted as a conduit issuer for an $8,135,000 tax-exempt bond issue for Mental Health Partners, which enabled it to refinance the medical office building loan (1000 Alpine, Boulder, Colorado) and to fund renovations. The renovations in 2014 were done to convert the 1000 Alpine from a multi-tenant medical office building into an owner/user building that features wellness education, outpatient services, a pharmacy, and offices.

The Bonds will be payable exclusively from payments made by Mental Health Partners under the bond documents and would not constitute debt or indebtedness of the County within the meaning of any provision or limitation of the Colorado constitution or statutes, and would not constitute nor give rise to a pecuniary liability of the County or a charge against the County's general credit or taxing powers. The City is not directly involved in this transaction. It will not give rise to any city liability or affect the city's bond capacity or ratings. The City will not have any financial or legal risk or exposure relating to the Bonds.

The aggregate principal amount of the Bonds will be approximately $7,500,000.

The services that are provided by Mental Health Partners are important to both City and County residents as well as visitors to Boulder. It is consistent with Boulder Valley Comprehensive Plan policies related to community well-being. In particular, it supports policies related to providing for a broad spectrum of human needs (BVCP § 8.01), a regional approach to human services (BVCP § 8.02), and the equitable distribution of resources (BVCP § 8.03). The Comprehensive Plan also recognizes the importance of health and non-profit community agencies that provide vital services to the residents of the Boulder Valley. (BVCP § 8.10).

ATTACHMENTS

A. Proposed Resolution No. 1171

RESOLUTION NO. 1171

RESOLUTION OF THE BOULDER CITY COUNCIL CONCERNING ENDORSEMENT OF PROJECTS OF THE MENTAL HEALTH CENTER OF BOULDER COUNTY, INC. D/B/A MENTAL HEALTH PARTNERS THAT INCLUDE THE REMODELING OF 1000 ALPINE STREET (BOULDER) AND THE PURCHASE OF LAND AND OFFICE BUILDING LOCATED AT 1455 DIXON AVE (LAFAYETTE) AND A RECOMMENDATION THAT THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OR OTHER APPROPRIATE ISSUING AUTHORITY ISSUE TAX-EXEMPT REVENUE BONDS FOR THE MENTAL HEALTH PARTNERS AND SETTING FORTH RELATED DETAILS.

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, FINDS AND RECITES:

A. The Mental Health Center of Boulder County, Inc. d/b/a Mental Health Partners, a Colorado nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and its permitted successors and assigns (the "Borrower") has requested the County of Boulder, Colorado (the "County") or another appropriate issuing authority to issue in one or more series up to $7,500,000 in principal amount of the County's Revenue Bonds (Boulder Mental Health Partners Project) Series 2015 (the "Bonds") pursuant to the laws of the State of Colorado (the "State"), to provide said applicant with funds to finance (a) the costs of the acquisition of a parcel of land and office building located at 1455 Dixon Avenue, Lafayette, Colorado; (b) the costs of remodeling the property located at 1000 Alpine Street, Boulder, Colorado (collectively, the "Project"); and (c) to pay certain issuance expenses of the Bonds.

B. The proposed Project will promote industry and develop trade or other economic activity within the City of Boulder, Colorado (the "City") by inducing nonprofit corporations to locate, expand or remain in the City, and will promote employment and the maintenance of a balanced and stable economy in the City, thereby promoting the public health, welfare, safety, convenience and prosperity.

C. Nothing contained in this resolution shall constitute a debt, indebtedness or multiple fiscal year obligation of the City within the meaning of the State Constitution or the City's Home Rule Charter, nor gives rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

D. The Borrower will undertake to fully comply with all applicable zoning and development regulations and policies.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO that the City Council of the City endorses the Project and recommends that the Board of County Commissioners of the County or other appropriate issuing authority issue up to $7,500,000 of the Bonds pursuant to the County and Municipality Development Revenue Bond Act, Article 3 of Title 29, Colorado Revised Statutes, as amended and the Supplemental Public Securities Act, Article 57 of Title 11, Colorado Revised Statutes, as amended, to finance the Project;

BE IT FURTHER RESOLVED that a copy of this resolution shall be forwarded to the Board of County Commissioners of the County or other appropriate issuing authority and the Borrower by the Clerk of the City.

PASSED AND ADOPTED THIS 15th DAY OF SEPTEMBER, 2015 BY THE BOULDER CITY COUNCIL.

CITY OF BOULDER, COLORADO

By_____
Mayor

[SEAL]

Attest:

By_____
City Clerk

C I T Y O F B O U L D E R
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE: Second reading and consideration of a motion to adopt Ordinance No. 8070 approving supplemental appropriations for Open Space and Information Technology to the 2015 Budget.

PRESENTERS:
Jane S. Brautigam, City Manager
Bob Eichem, Chief Financial Officer
Cheryl Pattelli, Director of Finance
Tracy Winfree, Director of Open Space and Mountain Parks (OSMP)
Don Ingle, Director of Information Technology (IT)
Peggy Bunzli, Budget Officer
Maria Diaz, Budget Analyst

EXECUTIVE SUMMARY

As described in the *Budget Philosophy and Process* section of the annual budget document, each year at least two supplemental ordinances (known as Adjustments to Base, where the "base" is the original annual budget) are presented to City Council for review and approval. Council receives what is often the first ordinance, the **Carryover and Budget Supplemental**, in April/May. In years where new initiatives are launched and other unique circumstances become apparent after annual budget approval, additional adjustments to base may be brought forward for council consideration. The proposed adjustments to the 2015 Budget included in this memo are an example of the latter scenario.

As a result of an organizational assessment in the Open Space and Mountain Parks Department (OSMP) and ongoing strategic analysis being conducted with regard to citywide Information Technology (IT), immediate investment needs were identified to best serve the community and city organization. This is the second high priority adjustment to the OSMP Department budget in 2015, continuing to address high priority needs to ensure key initiatives in the areas of flood recovery work, trail study area planning and implementation, and overall management of natural lands and environment,

valued by the community, are fully supported by the necessary budget resources. This supplemental request also includes a key IT position to address critical staffing deficiencies in the important and growing area of network administration as identified in ongoing IT analysis work. While other high priority IT resource requests to address this will be brought forward in the recommended budget for 2016, this position has been deemed critical to maintaining immediate network stability and security.

This packet includes budget supplemental line items that represent new budgeted amounts for 2015. A proposed ordinance is provided as **Attachment A** to this packet.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt Ordinance No. 8070 approving supplemental appropriations to the 2015 Budget.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

This supplemental ordinance appropriates funding for a variety of citywide projects and services that positively affect economic, environmental or social sustainability in the community.

OTHER IMPACTS

- Fiscal:
  In the **General Fund**, this ordinance will appropriate $49,231 from fund balance.

  In **restricted funds**, this ordinance will appropriate $240,326 from fund balance.

- Staff time for this process is allocated in the Budget Division's regular annual work plan.

ANALYSIS

Supplemental Request Related to Open Space and Mountain Parks (OSMP)

In an ongoing effort to ensure community priorities are met, OSMP has undergone an organizational assessment by an external consultant. The external consultant interviewed OSMP staff, staff members from other city departments, and compared against other benchmark agencies responsible for natural and agricultural lands management. Consultation included the City Manager's Office and Human Resources throughout the process.

This request includes additional funding and positions to implement the final recommended changes to the organizational structure and is being requested at this time to best coordinate the recommended organizational structure with, and best support current work efforts addressing high community priorities. The OSMP funding request, presented in this supplemental includes five standard and one fixed-term full time equivalent (FTE) employees. In addition to providing clarity around position roles and titles, the OSMP consultant worked with city staff, including Human Resources, to provide appropriate salary ranges based on comparable positions.

Through OSMP reorganization, the following positions will be added:

a. Community Relations Officer
b. Real Estate Supervisor
c. Stewardship and Monitoring Supervisor
d. Ranger Supervisor (2)
e. Junior Property Agent (2 yr Fixed-Term)
f. Facilities Supervisor (converted position, no additional FTE)

The addition of these positions will ensure that the department is staffed appropriately to deliver its mission and structured to:

a. Align workgroups with high collaboration needs while encouraging collaboration across division boundaries
b. Group functions based on the stakeholders they most closely serve
c. Reduce spans of control to a target of 7 or less
d. Enable Supervisors to play a more strategic role across divisions and with other departments in the City
e. Demonstrate commitment to serving the community through the structure
f. Create new functions that align with OSMP future directions

The estimated expense for 2015 staff additions (Sept.-Dec.) follows:

Budget Request	FTE Impact	PE*	NPE	Budget Impact
Community Relations Officer	1	$44,986	$3,500	$48,486
Real Estate Supervisor	1	35,988	3,500	39,488
Stewardship and Monitoring Supervisor	1	35,732	3,500	39,232
Ranger Supervisor	2	64,946	7,000	71,946
Junior Property Agent (2 yr Fixed-Term)	1	31,874	3,500	35,374
Facilities Supervisor	0	5,800	-	5,800
TOTALS	**6**	**$219,326**	**$21,000**	**$240,326**

The six new FTE's and the conversion of position #2036 to Facilities Supervisor allow for an accelerated and more coordinated implementation of the department reorganization, which will improve collaboration across work groups and with other city departments; improve decision-making and communication; increase service levels; create better external coordination for the public and interest groups; improve internal work flow and process; improve succession planning; and better align work groups with stronger affinities.

The impact to the 2016 budget is anticipated to be approximately $657,978 annually with those costs increasing over time at the rate of other PE salary/wage increases.

Finance staff and OSMP staff have evaluated ongoing Open Space fund balance and OSMP's long-term fiscal health based on these one-time and ongoing investments. Staff is confident that the fund is sound and will have flexibility in the future to navigate economic cycles as well as continue to evaluate additional and evolving investment needs.

Supplemental Request Related to Information Technology (IT)

Network Administrator
This budget request is to add one FTE within IT to fill the new role of Network Administrator. This position will provide support to the existing Senior Level Network Administrator. Historically, the senior level network administrator has been the sole person responsible for supporting and managing one of the most critical technology infrastructures within the city – the city's data network infrastructure.

This infrastructure provides connectivity to 90 buildings and structures at 68 facilities spread across the Boulder valley and the adjacent mountain watershed. It consists of over 3,500 network attached devices, 200 network switches and routers and over 100 remotely attached public safety mobile terminals (Police/Fire in-car laptops). It also includes nearly 200 cable-miles of fiber optic cable, mostly installed underground, which connects more than 80 percent of city facilities. In addition, the Senior Level Network Administrator is the overall lead administrator of the BRAN (Boulder Research and Administration Network) infrastructure whose members include the City of Boulder, CU, NCAR and the Department of Commerce. This position also supports all new technology projects and facility modifications and will play a critical role managing any future expansion of city sponsored public broadband or Wi-Fi services.

The needs of the organization have outgrown the ability for one person to manage this infrastructure. Any outage affecting this service is generally dramatically impactful to users, likely limiting or stopping their ability to utilize any data services (e-mail, office productivity applications and phone) until the problem is resolved. The purpose of this request for additional staff is to guarantee timely, responsive service. Without the addition of this FTE, the City is at risk of not having sufficient support for one of its most critical IT functions.

The expected expenses for the balance of 2015 and the on-going expenses in 2016 and beyond are listed in the table below.

Budget Request	FTE Impact	PE*	NPE	Budget Impact
2015 amount	1.0	$31,931	$2,500	$34,431
2016 on-going amount		95,792	5,325	101,117

Search Engine Tool Request
This is a request for one-time funding of $14,800 for a tool to improve the search engine utilized by the city's web site. This will improve the quality of results returned on web site searches, while at the same time make information easier to find.

This will leverage the support services of Elastic, the company responsible for the open source search tool, Elasticsearch, used by the City. These support services include system architecture, system set-up guidance, consultation, and ongoing performance tuning. The support services agreement will bolster internal IT staff and ensure we are utilizing best practices and configuration to achieve quality search results and dramatically improve the overall user experience and satisfaction with the city of Boulder website which had 1,323,539 visitors in 2014, accounting for 2,416,529 visits; and who utilized the site search 221,061 times.

PUBLIC AND COUNCIL FEEDBACK
There were no questions following the first reading of Ordinance No. 8070 on September 1, 2015.

ATTACHMENTS
A. Ordinance No. 8070 relating to the supplemental appropriations to the 2015 Budget

ORDINANCE NO. 8070

AN ORDINANCE RELATING TO THE FINANCIAL AFFAIRS OF THE CITY OF BOULDER, COLORADO, MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015 SETTING FORTH DETAILS IN RELATION TO THE FOREGOING.

WHEREAS, Section 102 of the Charter of the City of Boulder provides that: "At any time after the passage of the annual appropriation ordinance and after at least one week's public notice, the council may transfer unused balances appropriated for one purpose to another purpose, and may by ordinance appropriate available revenues not included in the annual budget;" and

WHEREAS, the City Council now desires to make certain supplemental appropriations for purposes not provided for in the 2015 annual budget; and,

WHEREAS, required public notice has been given;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, that the following amounts are appropriated from additional projected revenues to the listed funds:

Section 1. General Fund

Appropriation from Fund Balance	$49,231

Section 2. Open Space Fund

Appropriation from Fund Balance	$240,326

Section 3. The City Council finds that this ordinance is necessary to protect the public health, safety, and welfare of the residents of the City and covers matters of local concern.

Section 4. If any part or parts hereof are for any reason held to be invalid, such shall not affect the remaining portion of this ordinance.

Section 5. The Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the Office of the City Clerk for public inspection and acquisition.

INTRODUCED, READ, ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 1ST of September, 2015.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 15th of September, 2015.

_____
Mayor

Attest:

_____
City Clerk

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE: Consideration of an emergency Ordinance No. 8082 concerning the proposed issuance of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "2015 Certificates") in an amount not to exceed $41,000,000 for the purpose of providing funds to acquire the Boulder Community Hospital Broadway Campus; authorizing the conveyance of the Leased Property to The Boulder Municipal Property Authority ("BMPA") and the lease back of such Leased Property by the City; authorizing a competitive sale of the 2015 Certificates subject to certain parameters and approving the distribution and use of the Preliminary Official Statement and Notice of Sale in connection with the sale of the 2015 Certificates; delegating approval of the final terms of the 2015 Certificates to the Mayor, the City Manager or the Chief Financial Officer; approving the execution and delivery of certain documents in connection with the issuance of the 2015 Certificates; and declaring an emergency ordinance and providing the effective date hereof.

PRESENTERS:
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Kathy Haddock, Senior Assistant City Attorney
Bob Eichem, Chief Financial Officer
Maureen Rait, Executive Director of Public Works
David Driskell, Executive Director of Planning and Sustainability
Cheryl Pattelli, Director of Finance
Ron Gilbert, Assistant Controller
Elena Lazarevska, Senior Financial Analyst
Doug Newcomb, Property Agent

EXECUTIVE SUMMARY:

In furtherance of the council decision to authorize the acquisition of Boulder Community Hospital Broadway Campus (BCH Broadway), documents to finance the acquisition by certificates of participation have been prepared. This ordinance is to set the parameters by which

the certificates may be sold. In order to maintain the flexibility for future use of the hospital property, other property of the City is proposed as collateral for the certificates. That collateral property is sold to The Boulder Municipal Property Authority ("BMPA") and BMPA issues its Taxable Certificates of Participation, Series 2015 (the "2015 Certificates") in an amount not to exceed $41,000,000. Proceeds of the taxable 2015 Certificates will be used for the purpose of providing funds to acquire the BCH Broadway.

The collateral property proposed is the East Boulder Community Center, the Public Safety Building, and Park Central. Using the buildings as collateral does not impinge on the use or changes that may be made in the future. BMPA leases the collateral property back to the City and the City's annual rental payments, subject to appropriation each year, are used by BMPA to make payments on the certificates. The attached ordinance approves, in substantially the same form as attached, the Lease Purchase Agreement, the Mortgage and Indenture that BMPA will provide to the Trustee, and the issuance of the 2015 Certificates under the approved parameters. The ordinance also approves the form of the Deeds, the Continuing Disclosure Undertaking, the Preliminary Official Statement, the Notice of Sale, and all ancillary financing documents.

The parameters set in the ordinance are: the purchase price to be received by the City from the Corporation in exchange for the Leased Property shall not be less than $40,000,000; the maximum annual repayment amount of Base Rentals payable by the City pursuant to the Lease shall not exceed $3,750,000; the final Lease Term (which shall be subject to renewal each year) shall not extend beyond December 31, 2036; and the maximum interest rate on the interest component of the Base Rentals relating to the 2015 Certificates shall not exceed 7.00%. The ordinance must be adopted as an emergency measure to meet the agreed upon date for purchasing the property. The timeline is very tight and numerous deadlines must be met to complete the purchase transaction once the parameters ordinance is passed by Council.

STAFF RECOMMENDATION:

Staff requests council consideration of this matter and action in the form of the following motion:

A motion to publish by title only, and adopt as an emergency measure Ordinance No. 8082 (**Attachment A**) that authorizes the issuance of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "2015 Certificates") in an amount not to exceed $41,000,000 for the purpose of providing funds to acquire the Boulder Community Hospital Broadway Campus; and to approve the other financing documents submitted with the Ordinance (**Attachments B-G**).

COUNCIL SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic: The financing of the acquisition of the Boulder Community Hospital Broadway Campus property through certificates of participation provides a mechanism for the city to fund the acquisition price in a manner that allows the city to take advantage

of the opportunity to obtain the property for use, directly or indirectly to provide needed city services.

- Environmental: The city has conducted environmental studies on the property and is continuing to do so. The results of those studies will allow the city to analyze the impacts of any environmental conditions on potential future uses of the property and existing buildings.

- Social: The future use of the property will be determined through extensive public processes. It is anticipated that the future use of the property will, directly or indirectly, provide a means to provide city services.

OTHER IMPACTS

- Fiscal: At the worst case the maximum annual lease payment would be $3,750,000. It is expected that the actual amount per year will be less than this amount. The higher rate is used to cover any possibilities that interest rates would rapidly raise before the certificates can be issued. It is anticipated the payments can be made without a reduction in other city services. The ability to access part of the property may allow the city to reduce lease payments for other currently leased city offices in the near future.

- Staff time: Administration of the issuance and future payments of the lease payments on 2015 Certificates is part of normal staff time that is included in the appropriate department budgets.

BACKGROUND AND ANALYSIS

It is proposed that to finance the acquisition of BCH Broadway, the City will sell city property to BMPA and BMPA will lease the property back to the city for the term of the certificates by a Lease Purchase Agreement. At the end of the Lease, the last piece of collateral property is conveyed back to the city. During the term of the lease, individual pieces of collateral will be released as an equal amount of principal has been paid by the city. BMPA will issue Certificates of Participation, and transfers the city's rent payments to the Trustee to make the annual payments to the investors who have purchased the certificates. Each of the documents implementing this arrangement are more specifically described below. This arrangement accomplishes several purposes, including:

1. The financing does not become a general obligation of the City, but is paid from rent paid by the City on the collateral property. If the City defaults on the terms of the Lease Purchase, the collateral property could be foreclosed upon.
2. By not using the BCH Broadway property as the collateral, and by issuing the Certificates as taxable, the City is free to use and transfer the BCH Broadway property without encumbrance of the financing or limitations related to tax-exempt financing. It also provides the city with the greatest amount of financial flexibility regarding the amount of time to determine the various public, non- profit or private partners that may be considered for the eventual use of the property.

3. Provides as collateral for the Certificates property with a total value (without land) of approximately the $41,000,000 principal amount of the Certificates. The property was chosen because of its value and because they are an essential part of the City operations to show that the City has an interest in making the annual appropriation necessary to make the annual payments on the certificates. The essentiality test is required when doing such type of financing

The sale of the Certificates is done by competitive sale as are debt issuances of the City. The ordinance delegates authority to the Mayor, the City Manager or the Chief Financial Officer to execute and deliver a winning bidder certificate and sale certificate containing the final terms of the 2015 Certificates.

The parameters defined in the ordinance as the maximum terms under which the Certificates can be issued are:

A. The purchase price to be received by the City from the Corporation in exchange for the Leased Property shall not be less than $40,000,000;
B. The maximum annual repayment amount of Base Rentals payable by the City pursuant to the Lease shall not exceed $3,750,000;
C. The final Lease Term (which shall be subject to renewal each year) shall not extend beyond December 31, 2036; and
D. The maximum interest rate on the interest component of the Base Rentals relating to the 2015 Certificates shall not exceed 7.00%.

Description of Documents Attached to Ordinance:

(Attachment B) *Special Warranty Deed(s):* conveys fee title in Leased Property from the City to BMPA.

(Attachment C) *Lease Purchase Agreement*: between BMPA and the City. BMPA will lease the Leased Property back to the City pursuant to the terms of the Lease Purchase Agreement. The City will (subject to annual appropriation) make Base Rental payments to BMPA from any legally available revenues of the City. The Base Rental payments will be held by the Trustee and used to pay debt service on the 2015 Certificates. The City shall maintain the Leased Property and is permitted to make substitutions, additions, modifications and improvements to the Leased Property during term of Lease. As the principal on the 2015 Certificates is paid down, certain pieces of the Leased Property will be released from the collateral.

(Attachment D) *Mortgage and Indenture of Trust*: between BMPA and the Trustee. BMPA, as owner, mortgages its ownership interest in the Leased Property to the Trustee, and assigns its rights to receive Base Rentals under the Lease to the Trustee under the Indenture, for the benefit of the registered owners of the 2015 Certificates. If the City non-appropriates or otherwise causes a termination of the Lease before its final term, the Trustee would sell or re-let the Leased Property and/or go through a judicial foreclosure proceeding on the Leased Property to then sell the Leased Property.

(Attachment E) *Preliminary Official Statement*: Disclosure document used in marketing the

2015 Certificates.

(Attachment F) *Notice of Sale*: Contains the terms of sale of the 2015 Certificates for the bidding underwriters. Sale of the 2015 Certificates is scheduled for October 27, 2015.

(Attachment G) *Continuing Disclosure Undertaking*: Sets forth the City's annual continuing disclosure requirements pursuant to SEC Rule 15c2-12 with respect to the 2015 Certificates.

Additional Information Regarding the Financing Transaction

Asset Transfer Structure. This is an "asset transfer" form of COP. The "Leased Property" consists of the following three buildings and their associated land: the East Boulder Community Center, Public Safety Building, and Park Central. The City will sell the Leased Property to BMPA, and BMPA will generate funds for its acquisition of the Leased Property through the sale of the 2015 Certificates issued by BMPA. The City will receive the purchase price for the Leased Property from BMPA and will use that money to purchase the hospital facilities. The City will lease the Leased Property facilities back from BMPA and the City's lease payments to BMPA are assigned U.S. Bank, National Association, as Trustee under the Mortgage and Indenture and used to make the payments on the 2015 Certificates. The 2015 Certificates will be secured by the lease payments from the City as well as the Mortgage by BMPA on the Leased Property. As the principal on the 2015 Certificates is paid down, certain pieces of the Leased Property may be released from the collateral and transferred back to the City.

Taxable Certificates of Participation. The 2015 Certificates will be issued as taxable COPS to provide greater flexibility with respect to the ultimate use of the BCH campus. Using taxable COP proceeds to acquire the property preserves the flexibility to engage in public private partnerships or to sell portions of the BCH campus if necessary.

Lease Payments are Subject to Annual Appropriation. Neither the Lease nor the 2015 Certificates constitute a general obligation, a multiple fiscal year direct or indirect debt or other financial obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation. None of the Lease, the Indenture or the 2015 Certificates directly or indirectly obligates the City to make any payments beyond those appropriated for any fiscal year in which the Lease may be in effect. The Certificates are payable during the lease term solely from Base Rentals payable to the Trustee under the Lease. Payment of Base Rentals and Additional Rentals by the City constitute currently appropriated expenditures of the City and may be paid from any legally available funds of the City, and no City revenues are specifically pledged to such payments. The Lease will contain a series of annual renewals and will only be renewed if and to the extent that the City appropriates moneys for the following year's rental payments. Accordingly, all payment obligations of the City under the Lease are from year to year only.

Ratings. The City has applied to Moody's and Standard & Poor's for ratings on the 2015 Certificates. The City expects to receive ratings by September 30, 2015 and anticipates receiving excellent ratings for this type of COP in Colorado. Credit ratings are made after analyzing the credit worthiness of the issuer and the quality of the security being issued. The ratings are then

used by potential buyers of the 2015 Certificates as one of the determinants in whether they will purchase the 2015 Certificates or not. The highest investment grade rating given is AAA and the lowest is BBB.

Next Steps:

- October 16, 2015 - Post Preliminary Official Statement

- October 27, 2015: 10:00 a.m. Public Sale of 2015 Certificates – Bids received from underwriters for the estimated $41,000,000. Per Charter requirements, the 2015 Bonds will be awarded to the lowest bidder.

- November 17, 2015: Closing on the 2015 Certificates – All parties will have signed documents and the funds from the sale will be received.

Attachments:

A. Ordinance
B. Special Warranty Deed,
C. Lease Purchase Agreement
D. Mortgage and Indenture
E. Preliminary Official Statement
F. Notice of Sale
G. Continuing Disclosure Undertaking

ORDINANCE NO. 8082

AN EMERGENCY ORDINANCE AUTHORIZING THE FINANCING OF CERTAIN EXPENDITURES RELATING TO THE ACQUISITION OF THE BOULDER COMMUNITY HOSPITAL BROADWAY CAMPUS, AND IN CONNECTION THEREWITH AUTHORIZING THE SALE AND SUBSEQUENT LEASING OF CERTAIN CITY PROPERTY AND THE EXECUTION AND DELIVERY BY THE CITY OF A DEED, A LEASE PURCHASE AGREEMENT, A MORTGAGE AND INDENTURE OF TRUST, A PRELIMINARY AND FINAL OFFICIAL STATEMENT, AND OTHER FINANCING DOCUMENTS; SETTING FORTH PARAMETERS AND RESTRICTIONS WITH RESPECT TO THE FINANCING; AUTHORIZING A COMPETITIVE SALE OF ONE OR MORE SERIES OF CERTIFICATES OF PARTICIPATION IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $41,000,000; AUTHORIZING CITY OFFICIALS TO TAKE ALL ACTION NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED HEREBY; RATIFYING ACTIONS PREVIOUSLY TAKEN; AND PROVIDING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Boulder (the "City"), in the County of Boulder and the State of Colorado (the "State"), is a municipal corporation duly organized and existing as a home rule city under Article XX of the Constitution of the State (the "Constitution") and the home rule charter of the City (the "Charter"); and

WHEREAS, the City has previously authorized and directed the creation of The Boulder Municipal Property Authority (the "Corporation"), a nonprofit corporation under the provisions of the Colorado Nonprofit Corporation Act, Articles 20 through 29, Title 7, Colorado Revised Statutes, pursuant to an ordinance duly and regularly adopted by the City Council of the City (the "Council"); and

WHEREAS, upon prior approval of a majority of the Council, the Corporation is authorized to borrow money, become indebted and execute and deliver bonds or other obligations for the purpose of acquiring such real or personal property, and for such other purposes as may be necessary to accomplish the objectives of the Corporation; such obligations may be either unsecured or secured by any mortgage, trust deed or other lien upon the property to be acquired or any other rights or interests of the Corporation; and

WHEREAS, pursuant to Section 2(b) of the Charter and Article XX of the Constitution, the City is authorized to purchase, receive, hold, lease, and enjoy or sell and dispose of real and personal property owned by the City and to enter into one or more leases for land, buildings, equipment and other property for governmental or proprietary purposes; and

WHEREAS, the Council has determined that it is in the best interests of the City and its inhabitants to sell the existing buildings and the land thereon known as the Public Safety Building, the East Boulder Community Center and the Park Central Building (collectively, the "Leased Property") to the Corporation to finance the acquisition of the Boulder Community

Hospital Broadway campus, including any legally permitted costs and expenditures in connection therewith (the "Project") through the issuance of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "2015 Certificates"); and

WHEREAS, in order to effect such financing, the City has determined that it is in the best interests of the City and its inhabitants to (a) transfer and convey the Leased Property to the Corporation pursuant to a deed or deeds prepared for such purpose (collectively, the "Deed"); (b) lease back the Corporation's interest in the Leased Property pursuant to the terms of a Lease Purchase Agreement (the "Lease"), between the Corporation, as lessor and the City, as lessee; and (c) cause the issuance, execution and delivery of the 2015 Certificates by the Corporation pursuant to a Mortgage and Indenture of Trust, by and between the Corporation and a corporate trustee, as Trustee (the "Trustee"), which 2015 Certificates shall evidence assignments of proportionate interest in rights to receive certain payments under the Lease; and

WHEREAS, the City's obligation to pay Base Rentals and Additional Rentals (both as defined in the Lease) shall be from year to year only, subject to annual renewal by the City, and no provision of the 2015 Certificates, the Deed, the Indenture or the Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any fiscal year in excess of amounts appropriated for such fiscal year or for any fiscal year for which the City has not renewed the Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Constitution or any other Charter, constitutional or statutory limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Constitution; and

WHEREAS, none of the Deed, the Lease, the Indenture, nor the execution and delivery of the 2015 Certificates shall directly or indirectly obligate the City to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect; and

WHEREAS, the Corporation shall arrange for the sale of the 2015 Certificates by means of a competitive sale through the BIDCOMP/PARITY electronic bidding system, as the City through its Chief Financial Officer shall direct; and the responsible bidder bidding the lowest actuarial yield on the 2015 Certificates shall be the original purchaser of the 2015 Certificates, whose bid is in all cases to the best advantage of the City and the Corporation in accordance with Section 98 of the Charter; and

WHEREAS, there will be distributed in connection with the offering of the 2015 Certificates, a Notice of Sale (the "Notice of Sale"), a Preliminary Official Statement (the "Preliminary Official Statement") and a final Official Statement (the "Final Official Statement") relating to the 2015 Certificates as approved by the Mayor, Chief Financial Officer or City Manager of the City; and

WHEREAS, the net proceeds of the 2015 Certificates are expected to be used to finance the Project; and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended (the "Supplemental Act"), provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act; and

WHEREAS, there has been presented to the Council and are on file with the City Clerk the following: (i) the proposed form of the Deed; (ii) the proposed form of the Lease; (iii) the proposed form of the Indenture; (iv) the proposed form of the Continuing Disclosure Undertaking to be provided by the City (the "Continuing Disclosure Undertaking"); (v) the proposed form of Preliminary Official Statement; and (vi) the proposed form of Notice of Sale relating to the 2015 Certificates; and

WHEREAS, the Council is desirous of authorizing, approving and directing the execution of the agreements and instruments described above by the City and the Corporation and the transactions evidenced thereby;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BOULDER, COLORADO:

Section 1. Ratification and Approval of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the Council or the officers, employees and agents of the Council or the City, relating to the conveyance of the Leased Property to the Corporation, the execution and delivery of the Lease, the acquisition and implementation of the Project, and the execution and delivery of the 2015 Certificates by the Corporation are hereby ratified, approved and confirmed.

Section 2. Finding of Best Interests. The Council hereby finds and determines, pursuant to the Constitution and laws of the State of Colorado and the Charter, that the acquisition and implementation of the Project and the execution and delivery of the 2015 Certificates by the Corporation, the conveyance of the Leased Property to the Corporation and the leasing of all or a part of the same by the City from the Corporation, are necessary, convenient and in furtherance of the governmental purposes of the City and are in the best interests of the City and will contribute to the economic development of the City; and the Council hereby authorizes, approves and directs the accomplishment of the foregoing under the terms and provisions of the Deed, the Lease and the Indenture.

Section 3. Authorization of Notice of Sale. The Council hereby authorizes a competitive sale of the 2015 Certificates, subject to the parameters set forth in Section 4 hereof, in accordance with the Notice of Sale, the proposed form of which has been presented to the Council and the final form of which will be approved by the Mayor, the City Manager or the Chief Financial Officer of the City and executed and delivered by an authorized officer of the Corporation.

Section 4. Supplemental Act; Parameters. The Council hereby elects to apply all of the provisions of the Supplemental Act to the financing, and in connection therewith delegates to each of the Mayor, the City Manager or the Chief Financial Officer of the City the authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised

Statutes, in relation to the execution and delivery by the City of the Lease and the execution and delivery by the Corporation of the Indenture and the issuance of the 2015 Certificates, subject to the following parameters and restrictions:

a) the purchase price to be received by the City from the Corporation in exchange for the Leased Property shall not be less than $40,000,000, which the Council hereby determines to be reasonable fair market value for such conveyance;

b) the maximum annual repayment amount of Base Rentals payable by the City pursuant to the Lease shall not exceed $3,750,000;

c) the annual renewal term of Lease shall not extend beyond December 31, 2036.

d) the aggregate principal amount of the 2015 Certificates shall not exceed $41,000,000;

e) the 2015 Certificates shall bear interest at per annum rate or rates not to exceed 7.00% per annum; and

f) the 2015 Certificates shall mature no later than December 31, 2036.

Pursuant to Section 11-57-205 of the Supplemental Act, the Council hereby delegates to each of the Mayor, the City Manager or the Chief Financial Officer the independent authority to acknowledge a winning bidder certificate for the purchase of the 2015 Certificates generated by the BIDCOMP/PARITY electronic bidding system as a result of the competitive sale of the 2015 Certificates, and the authority to execute a sale certificate (the "Sale Certificate") setting forth the final terms of the Lease and the 2015 Certificates subject to the parameters set forth above.

The Council hereby agrees and acknowledges that the proceeds of the 2015 Certificates will be used to finance the costs of the Project and to pay other costs of issuance.

Section 5. Approval of Documents. The Deed, the Lease and the Continuing Disclosure Undertaking, in substantially the forms presented to the Council and on file with the City, are in all respects approved, authorized and confirmed, and each of the Mayor, the City Manager or the Chief Financial Officer are hereby independently authorized and directed for and on behalf of the City to execute and deliver the Deed, the Lease, and the Continuing Disclosure Undertaking in substantially the forms and with substantially the same contents as presented to the Council, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this ordinance.

Section 6. Approval of Corporation Documents. The Council hereby approves the execution and delivery by the Corporation of the Indenture and the 2015 Certificates in accordance with the parameters set forth in Section 4. If for any reason the 2015 Certificates are not issued in calendar year 2015, the name thereof may be changed to reflect 2016.

Section 7. Approval of Official Statement and Notice of Sale. The distribution and use of the Preliminary Official Statement and Notice of Sale, in substantially the forms presented

to the Council, with such changes to as hereafter approved by the Mayor, the City Manager or the Chief Financial Officer, are in all respects hereby ratified, approved and confirmed. The Mayor, the City Manager and the Chief Financial Officer are independently authorized and directed to approve, on behalf of the City, a final Official Statement for use in connection with the offering and sale of the Certificates. The execution of a final Official Statement by the Mayor, the City Manager or the Chief Financial Officer shall be conclusively deemed to evidence the approval of the form and contents thereof by the City. The distribution by the purchaser of the Preliminary Official Statement and the final Official Statement to all interested persons in connection with the sale of the 2015 Certificates is hereby ratified, approved and authorized.

Section 8. Authorization to Execute Collateral Documents. The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this ordinance and to place the seal of the City on any document authorized and approved by this ordinance. The Mayor, the City Manager, the Chief Financial Officer and the City Clerk and other appropriate officials or employees of the City are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents, instruments and other papers, and to perform all other acts that they deem necessary or appropriate, in order to implement and carry out the transactions and other matters authorized by this ordinance. The appropriate officers of the City are authorized to execute on behalf of the City agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this ordinance, and are specifically authorized and directed hereby to invest such funds in Permitted Investments as are defined and provided in the Indenture. The execution of any instrument by the aforementioned officers or members of the City Council shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof and thereof.

Section 9. No General Obligation Debt. No provision of this ordinance, the Deed, the Lease, the Indenture, the 2015 Certificates, the Notice of Sale, the Preliminary Official Statement, or the final Official Statement shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional, statutory or home rule charter provision, nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the then current fiscal year. The City shall have no obligation to make any payment with respect to the 2015 Certificates except in connection with the payment of the Base Rentals (as defined in the Lease) and certain other payments under the Lease, which payments may be terminated by the City in accordance with the provisions of the Lease. Neither the Lease nor the 2015 Certificates shall constitute a mandatory charge or requirement of the City in any ensuing fiscal year beyond the then current fiscal year or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional, statutory or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation whatsoever. Neither the Lease nor the 2015 Certificates shall directly or indirectly obligate the City to make any payments beyond those budgeted and appropriated for the City's then current fiscal year.

Section 10. Reasonableness of Rentals. The Council hereby determines and declares that the Base Rentals due under the Lease, in the maximum amounts authorized pursuant to

Section 4 hereof, constitute the fair rental value of the Leased Property and do not exceed a reasonable amount so as to place the City under an economic compulsion to renew the Lease or to exercise its option to purchase the Corporation's fee title interest in the Leased Property pursuant to the Lease. The Council hereby determines and declares that the period during which the City has an option to purchase the Corporation's fee title interest in the Leased Property (i.e., the entire maximum term of the Lease) does not exceed the useful life of the Leased Property. The Council hereby further determines that the purchase price to be received by the City from the sale and conveyance of the Leased Property to the Corporation is reasonable consideration therefor.

Section 11. City Representatives. The Council hereby authorizes each of the Mayor, the City Manager and the Chief Financial Officer to act as City Representatives under the Lease, or such other person or persons who may be so designated in writing from time to time by the Mayor, as further provided in the Lease.

Section 12. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the City Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the 2015 Certificates. Such recourse shall not be available either directly or indirectly through the City Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the 2015 Certificates and as a part of the consideration of their sale or purchase, any person purchasing or selling such certificate specifically waives any such recourse.

Section 13. Repealer. All bylaws, orders, resolutions and ordinances of the City, or parts thereof, inconsistent with this ordinance or with any of the documents hereby approved are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance of the City, or part thereof, heretofore repealed. All rules of the City Council, if any, which might prevent the final passage and adoption of this ordinance as an emergency measure at this meeting of the City Council be, and the same hereby are, suspended.

Section 14. Severability. If any section, subsection, paragraph, clause or provision of this ordinance or the documents hereby authorized and approved (other than provisions as to the payment of Base Rentals by the City during the annual renewal term of Lease, provisions for the quiet enjoyment of the Leased Property by the City during the annual renewal term of Lease and provisions for the conveyance of the Leased Property to the City under the conditions provided in the Lease) shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance or such documents, the intent being that the same are severable.

Section 15. Charter Controls. Pursuant to Article XX of the Constitution and the Charter, all State statutes that might otherwise apply in connection with the provisions of this ordinance are hereby superseded to the extent of any inconsistencies or conflicts between the provisions of this ordinance and the Sale Certificate authorized hereby and such statutes. Any

such inconsistency or conflict is intended by the Council and shall be deemed made pursuant to the authority of Article XX of the Constitution and the Charter.

Section 16. Recordation and Publication. This Ordinance, immediately on its final passage, shall be recorded in the City's Ordinance Record kept for that purpose, authenticated by the Mayor and the Clerk, and shall be published by title only in The Daily Camera, a daily newspaper printed, published and of general circulation in the City, in accordance with the provisions of the Charter of the City.

Section 17. Emergency and Effective Date. Due to fluctuations in municipal bond prices and interest rates and currently favorable interest rates, and due to the need to establish with certainty the City's ability to finance the acquisition of the Boulder Community Hospital Broadway campus, it is hereby declared that, in the opinion of the Council, an emergency exists, this Instrument is necessary for the preservation of the public peace, health and property of the City and its inhabitants and shall be in full force and effect upon its passage.

INTRODUCED, READ AND ADOPTED AS AN EMERGENCY ORDINANCE BY A TWO-THIRDS VOTE OF THE COUNCIL MEMBERS PRESENT AND ORDERED PUBLISHED BY TITLE THIS 15TH DAY OF SEPTEMBER 2015.

[CITY SEAL]

By _____
Mayor

Attest:

By _____
Clerk

When Recorded Return To:
Jennifer K. Barrett, Esq.
Kutak Rock LLP
1801 California St., Suite 3000
Denver, CO 80202

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED ("Deed"), is made this ___ day of November, 2015, by the CITY OF BOULDER, COLORADO, a duly and regularly created, organized and existing municipality and political subdivision of the State of Colorado, as grantor, hereunder (the "Grantor") to THE BOULDER MUNICIPAL PROPERTY AUTHORITY, a Colorado nonprofit corporation (the "Grantee"), whose address is 1777 Broadway, Boulder, Colorado 80302.

WITNESS, that the Grantor, in consideration of the sum of [_____] Dollars and zero Cents ($[_____].00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto the Grantee, all the real property, together with improvements described on **Exhibit A** attached hereto and made a part hereof (the "Acquired Property");

TOGETHER with all and singular hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained Acquired Property, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Acquired Property above bargained and described, with the appurtenances, unto the Grantee and its successors and assigns. The Grantor, for itself, its successors and assigns does covenant and agree that it shall and will WARRANT AND DEFEND the above bargained Acquired Property in the quiet and peaceable possession of the Grantee, its successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under Grantor, except for the matters set forth on **Exhibit B** attached hereto and incorporated by this reference herein.

[END OF DOCUMENT TEXT]

IN WITNESS WHEREOF, the Grantor has executed this Deed on the date set forth above.

[SEAL]

THE CITY OF BOULDER, COLORADO

By: _____
Matt Appelbaum
Mayor

Attest: _____
Alisa Lewis
City Clerk

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this ____ day of November, 2015, by Matthew Appelbaum, as Mayor of the City of Boulder, Colorado, and Alisa Lewis, as City Clerk.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary

My commission expires:

_____

EXHIBIT A

LEGAL DESCRIPTION

The Acquired Property consists of the Acquired Land and the Acquired Improvements described below:

I. ACQUIRED LAND

[Insert Legal Description]

II. ACQUIRED IMPROVEMENTS

The Acquired Improvements consist of all improvements located on the Acquired Land as of the date hereof.

EXHIBIT B

EXCEPTIONS

1. Any facts, rights, interests or claims which are not shown by the Public Records, but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.

2. Easements, or claims of easements, not shown by the Public Records.

3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the Land would disclose, and which are not shown by the public records.

4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown in the Public Records.

5. Any and all unpaid taxes, assessments and unredeemed tax sales.

6. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof.

7. Any water rights, claims of title to water, in, on or under the land.

8. Any existing leases or tenancies.

LEASE PURCHASE AGREEMENT

by and between

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
as Lessor

and

CITY OF BOULDER, COLORADO,
as Lessee

Dated as of November 1, 2015

The interest of The Boulder Municipal Property Authority (the "Corporation") in this Lease Purchase Agreement has been assigned to U.S. Bank National Association, Denver, Colorado, as trustee (the "Trustee") under the Mortgage and Indenture of Trust dated as of the date hereof between the Corporation and the Trustee and is subject to the security interest of the Trustee.

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LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT (this "Lease") is dated as of November 1, 2015 and is entered into by and between **THE BOULDER MUNICIPAL PROPERTY AUTHORITY** (the "Corporation"), a nonprofit corporation duly organized and validly existing under the laws of the State of Colorado, as lessor, and the **CITY OF BOULDER, COLORADO** (the "City"), a municipal corporation duly organized and existing as a home rule city under Article XX of the constitution of the State of Colorado (the "State") and the Charter of the City (the "Charter"), as lessee.

W I T N E S S E T H :

WHEREAS, the City (a) is a municipal corporation duly organized and existing as a home rule city under Article XX of the constitution of the State and the Charter of the City, (b) contemporaneously herewith, has (i) sold to the Corporation the Leased Property, (ii) caused a portion of the purchase price thereof to be deposited into the Acquisition Property Fund for application by the City to the purchase of the Acquisition Property or otherwise as provided herein and in the Indenture, and (iii) leased the Leased Property from the Corporation in accordance with this Lease; and (c) is authorized under the constitution and laws of the State, including the Charter of the City, to execute, deliver and perform its obligations under this Lease; and

WHEREAS, the Corporation (a) is a nonprofit corporation that is duly organized, validly existing and in good standing under the laws of the State; (b) is duly qualified to do business in the State; and (c) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to acquire the Leased Property, to lease the Leased Property to the City, and to execute, deliver and perform its obligations under this Lease; and

WHEREAS, in order to finance the acquisition of the Leased Property (net proceeds of which are to be applied by the City as described above), the Certificates will be issued pursuant to the Indenture between the Corporation and the Trustee, and the Corporation will assign to the Trustee all of the Corporation's right, title and interest in, to and under this Lease and will mortgage and grant a security interest in the Leased Property to the Trustee; and

WHEREAS, this Lease is a "triple-net" lease requiring the City to pay, among other things, all expenses, taxes, if any, fees, insurance and costs associated with the Leased Property; and

WHEREAS, the Base Rentals and Additional Rentals payable by the City hereunder shall constitute currently appropriated expenditures of the City, shall not constitute a mandatory charge or requirement against the City in any ensuing budget year, and shall not constitute a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of any constitutional or statutory or Charter limitation or requirement, nor a mandatory payment obligation of the City in any Fiscal Year (defined herein) beyond the Fiscal Year for which such payments have been appropriated; and

WHEREAS, the Certificates of the Corporation shall evidence undivided interests in the right to receive Lease Revenues, shall be payable solely from the Trust Estate and no provision of the Certificates, the Indenture or this Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year or for any Fiscal Year for which the City has not renewed the this Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the constitution of the State or any other Charter, constitutional or statutory limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the constitution of the State;

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used herein and defined in the Indenture shall have the same meanings in this Lease. In addition, the following capitalized terms shall have the following meanings in this Lease including the preambles hereto:

"*Additional Rentals*" means the costs and expenses incurred by the City in performing its obligations under this Lease with respect to the Leased Property, this Lease, the Indenture, the Certificates and any matter related thereto; the costs and expenses incurred by the City in paying the reasonable expenses of the Corporation and the reasonable fees and expenses of the Trustee pursuant to Section 10.05 hereof; and all other costs and expenses incurred by the City in connection with the foregoing; provided, however, that Additional Rentals do not include the Base Rentals or the Purchase Option Price.

"*Base Rentals*" means the payments by the City pursuant to Section 6.01 hereof, for and in consideration of the right to use the Leased Property during the Lease Term.

"*Base Rentals Payment Date*" means each April 25 and October 25, commencing April 25, 2016, as more particularly set forth in Exhibit B hereto, as from time to time amended or supplemented.

"*Business Day*" means any day other than a Saturday, a Sunday or a day on which banks in New York, New York or Denver, Colorado are authorized by law to remain closed.

"Certificates" means The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015, evidencing undivided interests in the right to receive certain revenues payable by the City under this Lease.

"*Charter*" means the home rule charter of the City, and any amendments or supplements thereto.

"*City*" means the City of Boulder, Colorado or any successor thereto.

"*City Council*" means the City Council of the City or any successor to its functions.

"*City Representative*" means the Chief Financial Officer of the City, and any other person designated in writing by the Chief Financial Officer of the City to act on behalf of the City for the purposes of performing any act under this Lease and the Indenture by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person and signed by the Chief Financial Officer of the City. The identity of the City Representative may be changed by the City from time to time by furnishing a new certificate to the Corporation and the Trustee.

"*Contaminant*" means any waste, pollutant or hazardous substance, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. § 9601, et seq., regulations promulgated thereunder and any applicable state statutes; any toxic substance, solid or hazardous waste as defined in the Resource Conservation and Recovery Act as amended, 42 U.S.C. § 6901, et seq., and any applicable state statutes; special waste; petroleum or petroleum-derived substance; radioactive material or waste; polychlorinated biphenyls (PCBs); asbestos; or any constituent of any such substances or wastes.

"*Corporation*" means The Boulder Municipal Property Authority, or any successor thereto.

"*Corporation Representative*" means the President, the Vice President or the Secretary-Treasurer of the Corporation, and any other person designated in writing by any one of the foregoing to act on behalf of the Corporation under this Lease by a written certificate furnished to the City and the Trustee containing the specimen signature of such person and signed by the President, the Vice President or the Secretary-Treasurer of the Corporation. The identity of the Corporation Representative may be changed by the Corporation from time to time by furnishing a new certificate to the City and the Trustee.

"*Environmental Regulation*" means any federal, state or local law, statute, code, ordinance, regulation or rule relating to dangerous, toxic or hazardous pollutants, contaminants, chemical waste, materials or substances.

"*Event of Default*" means an event described in Section 12.01 hereof.

"*Event of Nonappropriation and Nonrenewal*" means an event described in Section 6.04(a) hereof.

"*Final Renewal Term*" means the last term for which the City may renew this Lease, which is the term beginning January 1, 2036 and November 1, 2036. All references herein to the renewal by the City of this Lease for the succeeding Fiscal Year shall, with respect to the Final Renewal Term, be deemed to refer to renewal of this Lease for such eleven month period.

"*Fiscal Year*" means the City's fiscal year, which begins on January 1 of each year and ends on December 31 of each year.

"*Force Majeure*" means any event that is not within the control of the City, including without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents affecting machinery, transmission pipes or canals.

"*Governmental Corporation*" means any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*Hazardous Substances*" means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances as defined in Environmental Regulations, and also any urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner or mortgagee or any Owners to any damages, penalties or liabilities under any applicable Environmental Regulation.

"*Indenture*" means the Mortgage and Indenture of Trust dated as of the date hereof between the Corporation and the Trustee and any amendment or supplement thereto.

"*Independent Counsel*" means an attorney duly admitted to the practice of law before the highest court in the State and who is not an employee of the Corporation, the City or the Trustee.

"*Lease*" means this Lease Purchase Agreement and any amendment or supplement hereto.

"*Lease Term*" means the term when this Lease shall be in effect, including the initial term and any succeeding lease terms, all as provided in Section 4.01 hereof.

"*Leased Property*" means the buildings, the site improvements and the real property described in Exhibit A hereto, less any property released in accordance with Section 8.03 hereof, or condemned or replaced as provided in Section 8.06 hereof, plus any real property substituted pursuant to Section 8.03(c) hereof.

"*Net Proceeds*" means (a) the gross proceeds received from any event referred to in Section 8.06(a) hereof, minus (b) all expenses incurred in the collection of such gross proceeds or award.

"*Permitted Encumbrances*" means, as of any particular time, (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pursuant to Section 8.02(b) hereof; (b) this Lease and the Indenture; (c) easements, licenses, rights-of-way, rights and privileges, restrictions and exceptions set forth in the title insurance commitment provided by _____, including easements granted pursuant to Section 8.03 hereof; (d) any financing statements filed to perfect security interests granted pursuant to this Lease or granted by the Corporation to the Trustee; (e) any encumbrance represented by financing statements filed to perfect purchase money security interests in any portion of or all of the Leased Property;

(f) any claim filed pursuant to C.R.S. § 38-26-107; (g) any applicable zoning requirements; and (h) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Leased Property and as do not, in the opinion of the Corporation and the Trustee, materially impair title to the Leased Property.

"*Person*" means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

"*Purchase Option Price*" means the amount required to be paid to purchase the interest of the Corporation in the Leased Property pursuant to Section 9.01 hereof.

"*Purchaser*" means the City, in the event that it has exercised its option to purchase the Leased Property in accordance with Article IX hereof.

"*Release*" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the Leased Property, including, but not limited to, the movement of Contaminants through or in the air, soil, surface water, groundwater or the Leased Property and the abandonment or discard of barrels, containers and other open or closed receptacles containing any Contaminant.

"*Renewal Certificate*" means a certificate of the City in the form set forth in Exhibit C hereto, which Renewal Certificate shall be delivered to the Trustee on or prior to December 31 of any Fiscal Year in accordance with Section 6.04 hereof.

"*Renewal Term*" means the twelve-month period, commencing on January 1 of each year and ending on December 31 of such year, for which the City renews the Lease Term, provided that the Final Renewal Term shall have the meaning ascribed thereto herein.

"*Requirement of Law*" means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any Governmental Corporation relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety issues.

"*State*" means the State of Colorado.

"*Trustee*" means U.S. Bank National Association, Denver, Colorado, or any successor thereto, in its capacity as Trustee under the Indenture.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties by Corporation. The Corporation represents, covenants and warrants that:

(a) The Corporation (i) is a nonprofit corporation that is organized, validly existing and in good standing under the laws of the State, (ii) is duly qualified to do business in the State, and (iii) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to own the Leased Property, to lease the Leased Property to the City and to execute, deliver and perform its obligations hereunder and under the Indenture.

(b) The execution, delivery and performance of this Lease by the Corporation has been duly authorized by the Corporation.

(c) This Lease is enforceable against the Corporation in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the constitution of the United States of America.

(d) The execution, delivery and performance of the terms of this Lease by the Corporation does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Lease or the Indenture, or result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Corporation.

(e) There is no litigation or proceeding pending or threatened against the Corporation or any other Person affecting the right of the Corporation to execute, deliver or perform its obligations under this Lease.

(f) The Corporation acknowledges and recognizes that this Lease may not be renewed by the City and therefore terminates upon the occurrence of an Event of Nonappropriation and Nonrenewal, and that a failure by the City to appropriate funds and renew this Lease in a manner that results in an Event of Nonappropriation and Nonrenewal is solely within the discretion of the City Council of the City.

Section 2.02. Representations, Covenants and Warranties by City. The City represents, covenants and warrants that:

(a) The City is a municipal corporation duly organized and existing as a home rule city under Article XX of the constitution of the State and the Charter of the City. The City is authorized to enter into the transactions contemplated by this Lease and to execute, deliver and perform its obligations hereunder.

(b) The lease of the Leased Property from the Corporation pursuant to this Lease serves a public purpose and is in the best interests of the City and its residents.

(c) The execution, delivery and performance of this Lease by the City has been duly authorized by the City.

(d) This Lease is enforceable against the City in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the constitution of the United States of America.

(e) The execution, delivery and performance of the terms of this Lease by the City does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Lease or the Indenture, or result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the City.

(f) There is no litigation or proceeding pending or threatened against the City or any other Person affecting the right of the City to execute, deliver or perform its obligations of the City under this Lease.

(g) The Base Rentals payable in each Fiscal Year during the Lease Term are not more than fair value for the use of the Leased Property during such Fiscal Year. The Base Rentals and Additional Rentals payable in each Fiscal Year during the Lease Term do not exceed a reasonable amount for such use so as to place the City under an economic compulsion (i) to renew this Lease beyond any Fiscal Year, (ii) not to exercise its right to terminate this Lease at any time through an Event of Nonappropriation and Nonrenewal or (iii) to exercise any of its options to purchase the Leased Property hereunder. The Purchase Option Price is the City's best estimate of the fair purchase price of the Leased Property at the time of exercise of the City's option to purchase the Leased Property by paying the Purchase Option Price. The Lease Term, if continued through the Final Renewal Term, and the final maturity of the Certificates does not exceed the weighted average useful life of the Leased Property. In making the representations, covenants and warranties set forth above in this subsection, the City has given due consideration to the Leased Property, the purposes for which the Leased Property will be used by the City, the benefits to the City from the use of the Leased Property, the City's options to purchase the Leased Property hereunder and the terms of this Lease governing the use of, and the City's options to purchase, the Leased Property.

(h) The City is not aware of any current violation of any Requirement of Law relating to the Leased Property.

(i) While no Base Rentals are due in the current Fiscal Year, the City has appropriated sufficient moneys to pay Base Rentals payable in Fiscal Year 2016, and to pay the Additional Rentals estimated to be payable in the current Fiscal Year, if any, and

estimated to be payable in Fiscal Year 2016 and, upon commencement of the Lease Term, such moneys will be encumbered to pay such Base Rentals and Additional Rentals.

ARTICLE III

DEMISING CLAUSE; ENJOYMENT OF LEASED PROPERTY

Section 3.01. Demising Clause. The Corporation demises and leases the Leased Property to the City in accordance with the terms of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

Section 3.02. Enjoyment of Leased Property. The Corporation covenants that, during the Lease Term and so long as no Event of Default shall have occurred, the City shall peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Corporation, except as expressly required or permitted by this Lease.

ARTICLE IV

LEASE TERM; TERMINATION OF LEASE

Section 4.01. Lease Term. This Lease shall commence on the date the Certificates are issued, and shall terminate on December 31, 2015, unless extended and renewed for up to 21 successive one-year renewal terms each ending on December 31 of each year except that this Lease shall terminate within any such one-year period upon the earliest of any of the following events (and provided that the Final Renewal Term is not to exceed November 1, 2036):

(a) the last day of the month in which the final Base Rental payment is scheduled to be paid in accordance with Exhibit B hereto;

(b) December 31 of any Fiscal Year during which an Event of Nonappropriation and Nonrenewal has occurred;

(c) the purchase of all of the Leased Property by the City pursuant to Section 9.01 hereof; or

(d) termination of this Lease following an Event of Default in accordance with Section 12.02(a) hereof.

Section 4.02. Effect of Termination of Lease Term. Upon termination of the Lease Term:

(a) All unaccrued obligations of the City hereunder shall terminate, but all obligations of the City that have accrued hereunder prior to such termination shall continue until they are discharged in full; and

(b) If the termination occurs because of the occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default, the City's right to possession

of the Leased Property hereunder shall terminate and (i) the City shall immediately vacate the Leased Property, and (ii) if and to the extent the City Council of the City has appropriated funds for payment of Base Rentals and Additional Rentals payable during, or with respect to the City's use of the Leased Property during, the period between termination of the Lease Term and the date the Leased Property is vacated, the City shall pay such Base Rentals and Additional Rentals to the Corporation or, in the case of Additional Rentals, the other Person entitled thereto.

ARTICLE V

THE LEASED PROPERTY

Section 5.01. Acquisition of the Leased Property. A portion of the proceeds of the Certificates were applied by the Corporation to the acquisition of the Leased Property, which the Corporation owns as of the date of execution of this Lease.

Section 5.02. No Warranty as to Suitability. The Corporation makes no representation as to the adequacy or suitability of the Leased Property for the City's intended use.

ARTICLE VI

BASE RENTALS AND ADDITIONAL RENTALS; EVENT OF NONAPPROPRIATION AND NONRENEWAL

Section 6.01. Payment of Base Rentals.

(a) The City shall, subject only to the other Sections of this Article, pay Base Rentals directly to the Trustee during the Lease Term in immediately available funds in the amounts and on the Base Rentals Payment Dates set forth in Exhibit B hereto, as it may be modified from time to time; provided, however, that there shall be credited against the amount of Base Rentals payable on any Base Rentals Payment Date the amount on deposit in the Debt Service Fund representing (i) earnings from the investment of moneys in the Debt Service Fund, (ii) moneys transferred from the Costs of Issuance Fund pursuant to the Indenture, and (iii) any moneys delivered to the Trustee by the Corporation, the City or any other Person that are accompanied by instructions to apply the same to the payment of Base Rentals or to deposit the same in the Debt Service Fund. On the April 1 or October 1 prior to each Base Rentals Payment Date, the Trustee shall notify the City as to the exact amounts that will be credited against the Base Rentals due on such date. If further amounts that are to be credited against Base Rentals accrue between those dates and the next succeeding Base Rentals Payment Date, such amounts shall be carried over to be applied as a reduction of the Base Rentals payable on the next succeeding Base Rentals Payment Date.

(b) A portion of each payment of Base Rentals is paid as, and represents payment of, interest, and Exhibit B hereto, as it may be amended and supplemented from

time to time, sets forth the principal and interest component of each payment of Base Rentals.

Section 6.02. Payment of Additional Rentals. The City shall, subject only to Sections 7.01(b) and 8.02(b) hereof and the other Sections of this Article, pay Additional Rentals directly to the Persons to which they are owed in immediately available funds in the amounts and on the dates on which they are due.

Section 6.03. Unconditional Obligations.

(a) The obligation of the City to pay Base Rentals during the Lease Term shall, subject only to the other Sections of this Article, and the obligation of the City to pay Additional Rentals during the Lease Term shall, subject to Sections 7.01(b) and 8.02(b) hereof and the other Sections of this Article, be absolute and unconditional and shall not be abated for any reason related to the Leased Property. Notwithstanding any dispute between the City and the Corporation or between the City or the Corporation and any other Person relating to the Leased Property, the City shall, during the Lease Term, make all payments of Base Rentals and Additional Rentals when due; payments of Base Rentals and Additional Rentals are deemed to be "triple-net" and the City shall not withhold any Base Rentals or Additional Rentals payable during the Lease Term pending final resolution of any dispute and shall not assert any right of set-off or counter-claim against its obligation to pay Base Rentals or Additional Rentals, provided, however, that the making of any Base Rental or Additional Rental payment shall not constitute a waiver by the City of any rights, claims or defenses which the City may assert; and no action or inaction on the part of the Corporation shall affect the City's obligation to pay Base Rentals or Additional Rentals during the Lease Term.

(b) So long as this Lease is in effect, the officer of the City who is responsible for formulating budget proposals with respect to payments of Base Rentals and Additional Rentals is hereby directed (i) to estimate the Additional Rentals payable in the next ensuing Fiscal Year prior to the submission of each annual budget proposal to the City Council during the Lease Term; (ii) to include in each annual budget proposal submitted to the City Council during the Lease Term the entire amount of Base Rentals scheduled to be paid and the Additional Rentals estimated to be payable during the next ensuing Fiscal Year; it being the intention of the City that any decision to appropriate Base Rentals and Additional Rentals and to renew this Lease shall be made solely by the City Council, in its sole discretion, and not by any other department, agency or official of the City; and (iii) after such appropriation and renewal, to deliver or cause to be delivered a Renewal Certificate in the form attached as Exhibit C hereto to the Trustee by December 31 of that Fiscal Year.

Section 6.04. Event of Nonappropriation and Nonrenewal.

(a) An Event of Nonappropriation and Nonrenewal shall be deemed to have occurred:

(i) On December 31 of any Fiscal Year if the City has, on such date, failed, for any reason, to provide a Renewal Certificate to the Trustee for the succeeding Fiscal Year and failed, for any reason, to appropriate sufficient amounts authorized and directed to be used to pay all Base Rentals scheduled to be paid and all Additional Rentals estimated to be payable in the next ensuing Fiscal Year; and

(ii) If

(A) An event described in Section 8.06(a) hereof has occurred,

(B) The Net Proceeds received as a consequence of such event are not sufficient to repair, restore, modify, improve or replace the Leased Property in accordance with Section 8.06 hereof, and

(C) The City has not appropriated amounts sufficient to proceed under clause (i) of Section 8.06(c) hereof by December 31 of the Fiscal Year in which such event occurred or by December 31 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property becomes apparent, on December 31 of the Fiscal Year in which such event occurred or on December 31 of any subsequent Fiscal Year in which such insufficiency became apparent, as applicable.

(b) Notwithstanding subsection (a) of this Section, the Corporation may, with the consent of the Trustee, waive any such failure to appropriate and renew under subsection (a) of this Section which is cured by the City within a reasonable period of time.

(c) In the event that the City shall determine not to renew this Lease for the subsequent Fiscal Year, the City shall give written notice to such effect to the Corporation and the Trustee not later than December 31 of such Fiscal Year or earlier to the extent the City determines at an earlier date not to renew this Lease; provided, however, that a failure to give such notice shall not (i) constitute an Event of Default, (ii) prevent the City from failing to renew this Lease or (iii) result in any liability on the part of the City.

(d) The City shall furnish the Corporation and the Trustee with copies of all renewal measures and appropriation measures relating to Base Rentals, Additional Rentals or the Purchase Option Price promptly upon the adoption thereof by the City Council of the City.

Section 6.05. Limitations on Obligations of City.

(a) Payment of Base Rentals and Additional Rentals by the City shall constitute currently appropriated expenditures of the City and may be paid from any legally available funds.

(b) The City's obligations under the Lease shall be of no further force and effect if the City fails to renew this Lease upon the occurrence of an Event of Nonappropriation and Nonrenewal.

(c) No provision of the Certificates, the Indenture or this Lease, shall be construed or interpreted (i) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the constitution of the State, the Charter or any other constitutional or statutory limitation or provision; or (iii) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the constitution of the State.

(d) The City shall be under no obligation whatsoever to exercise its option to purchase the Leased Property or renew this Lease.

(e) No provision of this Lease shall be construed to pledge or to create a lien on any class or source of moneys of the City, nor shall any provision of this Lease restrict the future issuance of any obligations of the City, payable from any class or source of moneys of the City.

ARTICLE VII

OPERATION AND MAINTENANCE OF LEASED PROPERTY

Section 7.01. Taxes and Utilities and Insurance.

(a) The City shall pay, as Additional Rentals, all of the following expenses with respect to the Leased Property:

(i) All taxes, if any, assessments and other charges lawfully made by any governmental body, provided that any such taxes, assessments or other charges that may lawfully be paid in installments may be paid in installments as such installments are due;

(ii) All gas, water, steam, electricity, heat, power and other utility charges incurred in connection with the Leased Property;

(iii) Casualty and property damage insurance with respect to the Leased Property in an amount equal to at least the full replacement value of the Leased Property; and

(iv) Public liability insurance, through one or more private or public insurance companies or through a self-insurance program, with respect to the activities to be undertaken by the City in connection with the Leased Property, and this Lease: (A) to the extent such activities result in injuries for which immunity is available under Section 24-10-114, C.R.S. or any successor statute, in an amount not less than the amounts for which the City may be liable to third parties thereunder and (B) for all other activities, in an amount not less than $250,000 per occurrence.

(b) The City shall not allow any liens for taxes, assessments, other governmental charges or utility charges to exist with respect to any portion of the Leased Property. If the City shall first notify the Corporation and the Trustee of the intention of the City to do so, the City may, however, in good faith contest any such tax, assessment, other governmental charge or utility charge and, in the event of any such contest, may permit the tax, assessment, other governmental charge or utility charge so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Trustee shall notify the City that, in the opinion of Independent Counsel, whose fees and expenses shall be paid by the City from Additional Rentals appropriated for the Fiscal Year in which such fees and expenses are due, by nonpayment of any such item the interest of the Trustee in the Leased Property will be materially interfered with or endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture, in which event such tax, assessment, other governmental charge or utility charge shall be paid forthwith; provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, other governmental charge or utility charge. At the request of the City, the Corporation and the Trustee will cooperate fully with the City in any such contest.

(c) The insurance policies provided pursuant to subsection (a) of this Section may be provided by one or more private or public insurance companies or organizations, or may be provided through a self-insurance program, subject to the following conditions:

(i) If the insurance is provided by a private or public insurance company or organization:

(A) the insurance policy (1) shall have a deductible clause in an amount not in excess of the amounts reasonably expected to be available to the City to pay such deductible in the event of an insured event, (2) shall name the City, the Corporation, and the Trustee as insureds, (3) shall be so written or endorsed as to make losses, if any, payable to the City, the Corporation and the Trustee, as their respective interests may appear, (4) shall explicitly waive any co-insurance penalty and (5) shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the City, the Corporation or the Trustee without first giving written notice thereof to the City, the Corporation and the Trustee at least 10 days in advance of such cancellation or modification;

(B) a copy of each such insurance policy, or of each certificate evidencing such policy, shall be delivered to the Trustee prior to the issuance of the Certificates, and the City shall deliver to the Trustee a certification letter signed by a City Representative annually on or before January 1st stating that the City has complied with the insurance requirements set forth in this Article VII of the Lease; the Trustee shall have no responsibility for the monitoring, renewing or receiving of the insurance or documents pertaining thereto except as provided in this Article VII of the Lease and further the Trustee shall have no responsibility for the sufficiency of the insurance required hereunder;

(C) full payment of insurance proceeds under any casualty or property damage insurance policy up to the dollar limit required by subsection (a)(iii) of this Section in connection with damage to the Leased Property shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the City or the Corporation; and

(D) the City may insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other properties as well, as long as such blanket insurance policies comply with the requirements hereof; provided, however, that notwithstanding any other provision of this Section 7.01, the requirements of Section 7.01(a)(iii) hereof shall be deemed satisfied by blanket insurance policy number NHT392088 issued by RSUI Indemnity Company (the "Current Policy"), and shall continue to be deemed satisfied in the future so long as the City maintains a blanket insurance policy in amounts equal to at least the amounts of coverages set forth in the Current Policy and with deductibles not to exceed the amounts set forth in the Current Policy, which subsequent policies may be issued by RSUI Indemnity Company or another company.

(ii) If the insurance is provided through a self-insurance program maintained by the City, an independent insurance consultant acceptable to the Corporation shall initially and annually certify to the Corporation and the Trustee that (1) the reserves supporting such self-insurance program are held by an independent custodian or trustee and are adequate for the purposes of such program and (2) such self-insurance program is maintained on an actuarially sound basis.

Section 7.02. Maintenance and Operation of Leased Property. The City shall maintain, preserve and keep the Leased Property, or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, subject to normal wear and tear, if any; shall operate the Leased Property, or cause the Leased Property to be operated, in an efficient manner and at a reasonable cost; and shall make or cause to be made all necessary and proper repairs, if any, except as otherwise provided in Section 8.05 and Section 8.06 hereof.

ARTICLE VIII

TITLE, ENCUMBRANCES, MODIFICATIONS OR ADDITIONS TO LEASED PROPERTY OR CONDEMNATION OF LEASED PROPERTY

Section 8.01. Title to Leased Property. Except for personal property purchased by the City at its own expense pursuant to Section 8.08 of this Lease, title to the Leased Property and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Corporation, subject to this Lease, until liquidated, conveyed or otherwise disposed of as provided in Article XII of this Lease, notwithstanding (a) nonrenewal of this Lease by the City by reason of an Event of Nonappropriation and Nonrenewal as provided in Section 6.04 of this Lease; (b) the occurrence of one or more Events of Default as defined in Section 12.01 of this Lease; (c) the occurrence of any event of damage, destruction, condemnation, or title defect, as provided in Section 8.06 of this Lease; or (d) the violation by the Corporation (or by the Trustee as assignee of the Corporation pursuant to the Indenture) of any provision of this Lease.

The City shall have no right, title or interest in the Leased Property or any additions, modifications and improvements thereto, except as expressly set forth in this Lease.

Section 8.02. Limitations on Disposition of and Encumbrances on Leased Property.

(a) Except as otherwise permitted in this Article or Articles IX or XIII hereof and except for Permitted Encumbrances, (i) none of the Corporation, the City or the Trustee, shall sell, assign, transfer or convey any portion of or any interest in the Leased Property or directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property; and (ii) the City shall promptly take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim.

(b) Notwithstanding subsection (a) of this Section, if the City shall first notify the Corporation and the Trustee of the intention of the City to do so, the City may in good faith contest any such mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, and in the event of any such contest, may permit the item so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Corporation or the Trustee shall notify the City that, in the opinion of Independent Counsel, whose fees shall be paid by the City as Additional Rentals, by failing to discharge or satisfy such item the interest of the Corporation or the Trustee in the Leased Property will be materially interfered with or endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event such item shall be satisfied and discharged forthwith; provided, however, that such satisfaction and discharge shall not constitute a waiver by the City of the right to continue to contest such item. At the request of the City, the Corporation and the Trustee will cooperate fully with the City in any such contest.

Section 8.03. Granting of Easements, Release and Substitution of Leased Property. As long as no Event of Nonappropriation and Nonrenewal or Event of Default shall have happened and be continuing:

(a) The Corporation and the Trustee shall, at the request of the City, consent to the grant of easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property included in the Leased Property, free from this Lease and any security interest or other encumbrance created hereunder or under the Indenture;

(b) The Corporation and the Trustee shall, at the request of the City, release existing easements, licenses, rights-of-way and other rights and privileges with respect to the Leased Property, free from this Lease and the Indenture and any security interest or other encumbrance created hereunder or thereunder, with or without consideration;

(c) The Trustee shall release any portion of the Leased Property, and shall execute all documents necessary or appropriate to reconvey such portion of the Leased Property to the City, free of all restrictions and encumbrances imposed or created by this Lease or the Indenture, upon receipt by the Trustee of the following: (a) a written request of the City Representative for such reconveyance, describing the portion of the Leased Property to be reconveyed; (b) a certificate of the City Representative certifying (i) the fair market value of the portion of the Leased Property to be reconveyed and of any real property to be substituted for the portion of the Leased Property to be released; (ii) the disposition to be made of the portion of the Leased Property to be reconveyed and the consideration, if any, to be received therefor; (iii) that the disposition of the portion of the Leased Property to be reconveyed and the substitution therefor of the real property to be substituted for the portion of the Leased Property to be released (if any) will not materially adversely affect the ability of the City to operate the Leased Property or to fulfill its obligations under this Lease; (iv) that any real property to be substituted for the portion of the Leased Property to be reconveyed is necessary or useful to the operation of the Leased Property; and (v) that the fair market value of any real property to be substituted for the portion of the Leased Property to be reconveyed, together with cash to be paid by the City to the Trustee, if any, is at least equal to the fair market value of the portion of the Leased Property to be reconveyed; (c) appraisals of the fair market value of the portion of the Leased Property to be reconveyed and any real property to be substituted for the portion of the Leased Property to be reconveyed, respectively, by a certified general appraiser licensed as such in the State and not an employee of the City or the Corporation; and (d) supplements and amendments to this Lease and the Indenture and any other documents necessary to subject any real property to be substituted for the portion of the Leased Property to be reconveyed to the lien of the Indenture. The City agrees that any cash paid to the Trustee pursuant to the provisions of this Section 8.03(c) shall be deposited into the Principal Account of the Debt Service Fund.

(d) Notwithstanding Section 9.01 hereof providing for the purchase by the City of all, but not less than all, of the Leased Property, to the extent the principal amount of the Certificates is reduced by any combination of payment of the principal component of Base Rentals paid by the City, partial redemptions or defeasance of portions of the

Certificates pursuant to Section 10.01 of the Indenture, then the value of the Leased Property set forth in Exhibit D (or of any property substituted for such portion of the Leased Property pursuant to any provision of this Lease) other than the Leased Property designated in Exhibit D as the "Public Safety Building" shall be deemed to have been amortized by such amount and the City shall have the right if and to the extent applicable to have those portions of the Leased Property (other than the "Public Safety Building") with a value (as shown in Exhibit D) equal to or less than the paid down principal of the COPs released from this Lease and the Indenture at the written request of the City, and upon such request and satisfaction of the other conditions contained in this Section 8.03(d), the Trustee shall execute and deliver to the City all documents necessary to convey and transfer such portion of the Leased Property (or any property substituted for such portion of the Leased Property pursuant to any provision of this Lease) to the City, provided, however, that the fair value of the remaining Leased Property must be at least equal to 100% of the aggregate principal amount of the Certificates then Outstanding, as certified to by the City Representative at the time of the release. The Trustee and the Corporation shall execute and deliver to the City all documents necessary or appropriate to convey and release their respective interests in such portion of the Leased Property to the City, free of all restrictions and encumbrances imposed or created by this Lease or the Indenture, in substantially the manner provided in Section 9.03 hereof. After such release and conveyance, the property so released and conveyed shall no longer be a part of the Leased Property for any purpose of this Lease or the Indenture. The Corporation and the Trustee shall fully cooperate with the City in executing, delivering and recording, at the City's expense, such documents as may be necessary to effectuate the provisions of this Section.

(e) The Corporation and the Trustee shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any easement, license, right-of-way or other grant or privilege under subsection (a) or (b) of this Section, upon receipt of: (i) a copy of the instrument of grant or release and (ii) a written application signed by the City Representative requesting such instrument and stating that such grant or release will not materially adversely affect the value, or interfere with the effective use or operation, of the Leased Property.

Section 8.04. Subleasing by City. All or any part of the Leased Property maybe subleased by the City upon satisfaction of the following conditions:

(a) This Lease, and the obligations of the City hereunder, shall remain obligations of the City, and the City shall maintain its direct relationship with the Corporation, notwithstanding any sublease;

(b) Except for subleases with respect to less than 5% of the aggregate square footage of the Leased Property consisting of space that does not adversely affect the City's utilization of the remainder of the Leased Property, the Corporation and the Trustee consent to such sublease, which consent shall not be unreasonably withheld; and

(c) No sublease shall extend beyond the Fiscal Year in which it becomes effective unless the City shall have the right to terminate such sublease without penalty if this Lease is terminated or upon an Event of Nonappropriation and Nonrenewal.

Section 8.05. Modification of Leased Property. The City, at its own expense (or any tenant of the City at its own expense if permitted by the applicable sublease), may make additions, modifications or improvements to, the Leased Property, provided that (i) such additions, modifications and improvements (A) shall not in any way damage the Leased Property as it existed prior thereto and (B) shall become part of the Leased Property owned by the Corporation; (ii) the value of the Leased Property after such additions, modifications and improvements shall be at least as great as the value of the Leased Property prior thereto; and (iii) the Leased Property, after such additions, modifications and improvements, shall continue to be used as provided in and shall otherwise be subject to the terms of this Lease.

Section 8.06. Damage, Condemnation of or Loss of Title to Leased Property.

(a) If (i) the Leased Property (or any portion thereof) is destroyed or damaged by fire or other casualty, (ii) title to, or the temporary or permanent use of, the Leased Property (or any portion thereof) or the estate of the City, the Corporation or the Trustee in the Leased Property (or any portion thereof), is taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, (iii) a breach of warranty or any material defect with respect to the Leased Property (or any portion thereof) becomes apparent or (iv) title to or the use of the Leased Property (or any portion thereof) is lost by reason of a defect in the title thereto, then, the Net Proceeds of any insurance, performance bond or condemnation award or the Net Proceeds received as a consequence of any default or breach of warranty under any contract relating to the Leased Property shall be deposited into a special trust fund or account to be established and held by the Trustee.

(b) If the costs of the repair, restoration, modification, improvement or replacement of the Leased Property following an event described in subsection (a) of this Section are equal to or less than the Net Proceeds available, such Net Proceeds shall be used promptly (i) to repair, restore, modify, improve or replace the Leased Property (or portion thereof) and any excess shall be delivered to the City, (ii) to optionally redeem Certificates pursuant to Section 4.03 of the Indenture to the extent Certificates may then be redeemed or (iii) to pay, together with other moneys available therefor, the Purchase Option Price.

(c) If the costs of the repair, restoration, modification, improvement or replacement of the Leased Property following an event described in subsection (a) of this Section are more than the amount of Net Proceeds available, then:

(i) The City may elect either

(A) To use the Net Proceeds promptly to repair, restore, modify or improve or replace the Leased Property (or portion thereof) with property of a value equal to or in excess of the value of the Leased

Property (or applicable portion thereof), and pay (subject to Article VI hereof) as Additional Rentals the costs thereof in excess of the amount of the Net Proceeds or

(B) To pay (subject to Article VI hereof) the Purchase Option Price, in which case the Net Proceeds shall be delivered to the City.

(ii) If, by December 31 of the Fiscal Year in which the event described in subsection (a) of this Section occurred (or June 30 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property becomes apparent), the City has not appropriated amounts sufficient to proceed under clause (i) of this subsection, an Event of Nonappropriation and Nonrenewal shall be deemed to have occurred.

(d) The City shall not voluntarily settle or consent to the settlement of any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to default or breach of warranty under any contract relating to the Leased Property without the written consent of the Corporation and the Trustee.

(e) No event described in subsection (a) of this Section shall affect the obligation of the City to pay Base Rentals or Additional Rentals hereunder, regardless of whether the Leased Property is repaired, modified, improved or replaced in full or in part, subject, however, to Article VI hereof.

Section 8.07. Condemnation by the City. The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Certificates remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Leased Property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the Leased Property, the appraised value of the Leased Property shall not be less than the greater of (a) if such Certificates are then subject to redemption, the principal and interest components of the Outstanding Certificates through the date of their redemption; or (b) if such Certificates are not then subject to redemption, the amount necessary to defease such Certificates to the first available redemption date in accordance with the Indenture.

Section 8.08. Personal Property of City. The City (or its tenants), at its own expense, may install equipment and other personal property in or on the Leased Property, which equipment or other personal property shall not become part of the Leased Property unless it is permanently affixed to the Leased Property or removal of it would materially damage the Leased Property, in which case it will become part of the Leased Property.

ARTICLE IX

CITY'S PURCHASE OPTION

Section 9.01. City's Purchase Option. The City is hereby granted the option to purchase the Leased Property, in the aggregate, but not in part, by paying to the Trustee the Purchase Option Price. The Purchase Option Price shall be an amount which, together with other amounts then on deposit in the Debt Service Fund and the Costs of Issuance Fund that are available for such purpose, is sufficient (a) to pay all the Outstanding Certificates at maturity, to redeem all the Outstanding Certificates in accordance with the redemption provisions of the Indenture or to defease all the Outstanding Certificates in accordance with the defeasance provisions of the Indenture; and (b) to pay all Additional Rentals payable through the date of conveyance of the Leased Property to the City or its designee pursuant to this Article, including, but not limited to, all fees and expenses of the Trustee relating to the conveyance of the Leased Property and the payment, redemption or defeasance of the Certificates.

Section 9.02. Exercise of City's Purchase Option. The City may exercise its option to purchase the Leased Property pursuant to Section 9.01 hereof by (i) giving written notice to the Corporation and the Trustee prior to the end of the Final Renewal Term (A) stating that the City intends to purchase the Leased Property pursuant to Section 9.01 hereof, (B) identifying the source of funds it will use to pay the Purchase Option Price and (C) specifying a closing date for such purpose which is at least 30 and not more than 90 days after the delivery of such notice, (ii) paying the Purchase Option Price to the Trustee in immediately available funds on the closing date, and (iii) providing written evidence of discharge of the Certificates pursuant to Section 10.01 of the Indenture.

Section 9.03. Delivery of Documentation Upon Purchase. At the closing of any purchase of the Leased Property pursuant to this Section, the Corporation shall execute and deliver to the Purchaser or its designee, and shall cause the Trustee to execute and deliver to the Purchaser or its designee, all necessary documents assigning, transferring and conveying title to the Purchaser or its designee in the Leased Property, as it then exists, subject to the following: (i) Permitted Encumbrances, other than this Lease and the Indenture; (ii) all liens, encumbrances and restrictions created or suffered to exist by the Corporation as required or permitted by this Lease or arising as a result of any action taken or omitted to be taken by the Corporation as required or permitted by this Lease; (iii) any lien or encumbrance created or suffered to exist by action of the City or any tenant of the City; and (iv) those liens and encumbrances (if any) to which title to the Leased Property, was subject when acquired by the Corporation.

Section 9.04. Conveyance of Leased Property to City at End of Final Renewal Term. If the City pays all Base Rentals scheduled to be paid through the end of the Final Renewal Term and all Additional Rentals payable through the date of conveyance of the Leased Property to the City pursuant to this Section shall have been paid, the Leased Property shall be assigned, transferred and conveyed to the City or its designee at the end of the Final Renewal Term in the manner described in Section 9.03 hereof without any additional payment by the City.

ARTICLE X

GENERAL COVENANTS

Section 10.01. Further Assurances and Corrective Instruments. So long as this Lease is in full force and effect and no Event of Nonappropriation and Nonrenewal or Event of Default shall have occurred, the Corporation, the City and the Trustee shall have full power to carry out the acts and agreements provided herein and the Corporation, the City and the Trustee shall from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property leased or intended to be leased hereunder, or for otherwise carrying out the intention of or facilitating the performance of this Lease.

Section 10.02. Compliance With Requirements of Law. The Corporation, the City and the Trustee shall comply with all Requirements of Law in performing their respective obligations with respect to the Leased Property hereunder. Without limiting the generality of the preceding sentence, the City, in particular, shall use the Leased Property in a manner such that (a) the Leased Property at all times is operated in compliance with all Requirements of Law; and (b) all permits required by Requirements of Law in respect of the City's use of the Leased Property are obtained, maintained in full force and effect and complied with.

Section 10.03. Environmental Representations and Covenants of the City.

(a) The City has complied with all applicable environmental laws with respect to the Leased Property and the operations or other activities of the City on or with respect to the Leased Property will not result in the disposal or other Release of any Contaminant on or from the Leased Property other than in all cases in compliance with applicable law.

(b) The operations or other activities of the City shall not result in the disposal or other Release of any Contaminant on or from the Leased Property other than in compliance with all current and future applicable environmental laws and the City shall not engage in any activities that will result in the violation of any applicable current or future environmental laws. The City shall obtain from time to time all permits required under current or future environmental laws so that the operations of the City will be in accordance with such laws.

(c) The City will make available for inspection from time to time all documents and information in its possession and control regarding activities and conditions relating to the Leased Property and other assets which may result or may have resulted in noncompliance with, or liability under, any applicable environmental, health or safety Requirement of Law.

(d) The City shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Leased Property other than in accordance with all applicable Environmental Regulations, shall not permit any Hazardous Substance to be

stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom other than in accordance with all applicable Environmental Regulations, shall cause all Hazardous Substances found thereon to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder other than in accordance with all applicable Environmental Regulations, and shall comply with all Environmental Regulations which are applicable to the Leased Property.

(e) Amounts payable by the City pursuant to this Section shall constitute Additional Rentals and shall be subject to all the terms of this Lease relating to Additional Rentals, including, but not limited to, Sections 6.05 and 12.03 hereof.

(f) The Leased Property complies in all respects with applicable zoning, environmental and safety ordinances in accordance with this Section and is the same property which is the subject of the title insurance policy or policies obtained to satisfy the provisions set forth in Section 6.04 of the Indenture.

Section 10.04. Participation in Legal Actions.

(a) At the request of and at the cost of the City, the Corporation and the Trustee shall join and cooperate fully in any legal action in which the City asserts its right to the enjoyment of the Leased Property; that involves the imposition of any charges, costs or other obligations or liabilities on or with respect to the Leased Property or the City's enjoyment of the Leased Property for which the City is responsible hereunder; or that involves the imposition of any charges, costs or other obligations with respect to the City's execution, delivery and performance of its obligations hereunder.

(b) At the request of the Corporation or the Trustee, the City shall, at the cost of the City, join and cooperate fully in any legal action in which the Corporation or the Trustee asserts its ownership of or interest in the Leased Property; that involves the imposition of any charges, costs or other obligations on or with respect to the Leased Property for which the Corporation or the Trustee is responsible hereunder; or that involves the imposition of any charges, costs or other obligations with respect to the execution and delivery of this Lease by the Corporation or the performance of its obligations hereunder.

Section 10.05. Payment of Expenses of the Corporation and the Trustee. The City shall pay the reasonable expenses of the Corporation and reasonable fees and expenses of the Trustee (subject to any agreement with the Trustee limiting the amount of such fees and expenses) in connection with the Leased Property, this Lease, the Indenture, the Certificates, or any matter related thereto, including, but not limited to, costs of defending any claim or action brought against the Corporation or its directors or officers relating to the foregoing, excepting, however, any liability for any action constituting willful or wanton misconduct.

ARTICLE XI

LIMITS ON OBLIGATIONS OF CORPORATION

Section 11.01. Disclaimer of Warranties. THE CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. In no event shall the Corporation be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the City of any item, product or service provided for herein.

Section 11.02. Financial Obligations of Corporation Limited to Available Funds. Notwithstanding any other provision hereof, all financial obligations of the Corporation under this Lease, except those resulting from its gross negligence or willful misconduct, are limited to the Trust Estate.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default Defined.

(a) Any of the following shall constitute an "Event of Default" under this Lease:

(i) failure by the City to pay any specifically appropriated Base Rentals to the Trustee on or before the applicable Base Rentals Payment Date; provided, however, that a failure by the City to pay Base Rentals on the applicable Base Rentals Payment Date shall not constitute an Event of Default if such payment is received by the Trustee within five days following such Base Rentals Payment Date;

(ii) failure by the City to pay any Additional Rental for which funds have been specifically appropriated when due, or if such Additional Rental is payable to a Person other than the Corporation or the Trustee, when nonpayment thereof has, or may have, a material adverse effect upon the Certificates, the Leased Property or the interest of the Corporation or the Trustee in the Leased Property;

(iii) failure by the City to vacate the real property included in the Leased Property immediately following an Event of Nonappropriation and Nonrenewal in accordance with Section 4.02(b) hereof;

(iv) any sublease, assignment, encumbrance, conveyance or other transfer of the interest of the City in all or any portion of the Lease or the Leased

Property or any succession to all or any portion of the interest of the City in the Leased Property in violation of Section 13.02 hereof; or

(v) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i), (ii), (iii) or (iv) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the City by the Trustee, unless the Trustee shall agree in writing, prior to the expiration of the 30-day period, to an extension of not more than 60 days; provided, however, that if the failure stated in the notice cannot be corrected within the original 30-day period, the Trustee shall not withhold its consent to an extension of up to 60 days if corrective action shall be instituted by the City within such time period and diligently pursued until the default is corrected.

(b) The provisions of subsection (a) of this Section are subject to the following limitations:

(i) The City shall be obligated to pay Base Rentals and Additional Rentals only during the Lease Term, except as otherwise expressly provided in Section 4.02(b)(ii) hereof; and

(ii) If, by reason of Force Majeure, the City shall be unable in whole or in part to carry out any agreement on its part herein contained, other than its obligation to pay Base Rentals or Additional Rentals hereunder, the City shall not be deemed in default during the continuance of such inability; provided, however, that the City shall, as promptly as legally and reasonably possible, remedy the cause or causes preventing the City from carrying out such agreement, except that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City.

Section 12.02. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Trustee, acting for the Corporation, may, without any further demand or notice take one or any combination of the following remedial steps:

(a) Terminate the Lease Term and give notice to the City to immediately vacate the real property included in the Leased Property, in the manner provided in Section 4.02(b) hereof;

(b) Foreclose through the courts on or otherwise sell or lease its interest in all or any portion of the Leased Property;

(c) Recover from the City:

(i) the portion of Base Rentals and Additional Rentals payable pursuant to Section 4.02(b)(ii) hereof; and

(ii) the portion of Base Rentals and Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the City Council of the City, regardless of when the City vacates the Leased Property.

(d) Enforce any provision of this Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under Article XIII hereof by specific performance, writ of mandamus or other injunctive relief; and

(e) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease, subject, however, to the limitations on the obligations of the City set forth in Sections 6.05 and 12.03 hereof and the limitations on the obligations of the Corporation set forth in Article XI hereof.

Section 12.03. Limitations on Remedies. A judgment requiring a payment of money may be entered against the City by reason of an Event of Default only as to the City's liabilities described in Section 12.02(c) hereof and for the costs, expenses and fees of the Corporation. A judgment requiring a payment of money may be entered against the City by reason of an Event of Nonappropriation and Nonrenewal, or a failure to vacate the Leased Property following an Event of Nonappropriation and Nonrenewal, only to the extent provided in Section 12.02(c)(i) hereof.

Section 12.04. No Remedy Exclusive. Subject to Section 12.03 hereof, no remedy herein conferred upon or reserved to the Corporation is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 12.05. Waivers.

(a) The Corporation may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(b) In the event the Trustee waives any Event of Default described in Section 12.01(a)(i) hereof, any subsequent payment by the City of Base Rentals then due and owing shall be paid to the Trustee to be applied in accordance with the terms of the Indenture.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Corporation's Rights, Title and Interest in Trust for Benefit of Owners; Successor Corporation; Assignment by Corporation. The Corporation shall place its interest in the Leased Property and its rights, title and interest in, to and under this Lease (other than the Corporation's rights to payment of its fees and expenses and the rights of third parties to Additional Rentals payable to them) in trust for the benefit of the Owners pursuant to the Indenture. Any successor trustee under the Indenture shall automatically succeed to the previous trustee's interest in the Leased Property and the previous trustee's rights, title, interest and obligations in, to and under this Lease. The Corporation shall not, except as provided in this Section or as otherwise provided elsewhere in this Lease or in the Indenture, assign, convey or otherwise transfer to any Person any of the Corporation's interest in the Leased Property or the Corporation's rights, title or interest in, to or under this Lease.

Section 13.02. Transfer of City's Interest in Lease and Leased Property Prohibited. Except for (i) the Corporation's assignment of this Lease and mortgaging of the Leased Property to the Trustee under the Indenture, (ii) any exercise by the Trustee of the remedies provided in this Lease, (iii) any conveyance to the City pursuant to Article IX hereof upon payment of the Purchase Option Price, upon the expiration of the scheduled Lease Term or regarding the release of certain of the Leased Property, (iv) the City's rights to sublease under Section 8.04 hereof, (v) the granting of easements pursuant to Section 8.03 hereof, or (vi) any modifications to the Leased Property under Section 8.05 hereof, the City shall not sublease, assign, encumber, convey or otherwise transfer all or any portion of its interest in this Lease or the Leased Property to any Person, whether now in existence or organized hereafter.

Section 13.03. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns, subject, however, to the limitations set forth in Sections 13.01 and 13.02 hereof. The Trustee shall be a third party beneficiary of this Lease to the extent rights are granted to it herein and, by accepting the assignment of the Corporation's interest herein pursuant to the Indenture, it shall be bound by the terms hereof. This Lease and the covenants set forth herein are expressly intended to be covenants, conditions and restrictions running with the Leased Property and the leasehold estate in the Leased Property under this Lease.

Section 13.04. Corporation, City and Trustee Representatives. Whenever under the provisions hereof the approval of the Corporation, the City or the Trustee is required, or the City, the Corporation or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Corporation by the Corporation Representative, for the City by the City Representative and for the Trustee by the Trustee Representative, and the Corporation, the City and the Trustee shall be authorized to act on any such approval or request.

Section 13.05. Manner of Giving Notices. All notices, certificates or other communications hereunder shall be in writing and shall be deemed given when mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the City:	City of Boulder Municipal Building 1777 Broadway Boulder, CO 80302 Attn: Chief Financial Officer
with a copy to:	City Attorney Municipal Building 1777 Broadway Boulder, CO 80302
if to the Corporation:	The Boulder Municipal Property Authority Municipal Building 1777 Broadway Boulder, CO 80302 Attn: President
with a copy to:	City Attorney Municipal Building 1777 Broadway Boulder, CO 80302
if to the Trustee:	U.S. Bank National Association 950 17th Street, 12th Floor Denver, CO 80202 Attention: Corporate Trust Services

The entities listed above may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.06. No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the City or the Corporation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City or the Corporation, as the case may be, and not of any member, director, officer, employee, servant or other agent of the City or the Corporation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the City or the Corporation or any natural person executing this Lease or any related document or instrument.

Section 13.07. Amendments, Changes and Modifications. Except as otherwise provided herein and subject to terms of the Indenture, this Lease may not be effectively

amended, changed, modified or altered other than by the execution of a subsequent document in the same manner as this Lease is executed.

Section 13.08. Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right under this Lease is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 13.09. Severability. In the event that any provision of this Lease, other than the obligation of the City to pay Base Rentals or Additional Rentals and the Purchase Option Price hereunder and the obligation of the Corporation to provide quiet enjoyment of the Leased Property and to convey the Leased Property to the City pursuant to Article IX hereof, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.10. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 13.11. Applicable Law. The laws of the State shall be applied in the interpretation, execution and enforcement of this Lease and the exclusive venue for any litigation concerning this Lease shall lie only in Boulder County, Colorado.

Section 13.12. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.13. No Merger. The City, the Corporation and the Trustee intend that the legal doctrine of merger shall have no application to this Lease and that neither the execution and delivery of the Lease by the Corporation and the City nor the exercise of any remedies under this Lease shall operate to terminate or extinguish this Lease, except as specifically provided herein and therein.

Section 13.14. City Budget. During the Lease Term, the City's budgets shall comply with the requirements of the City's Charter.

[Signature Page to Lease Purchase Agreement Follows]

IN WITNESS WHEREOF, the Corporation and the City have executed this Lease as of the date first above written.

THE BOULDER MUNICIPAL PROPERTY AUTHORITY, as Lessor

By _____
President

Attest:

By _____
Secretary-Treasurer

CITY OF BOULDER, COLORADO, as Lessee

By _____
Mayor

Attest:

By _____
City Clerk

[Signature Page 1 to Lease Purchase Agreement]

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this _____ day of November, 2015, by _____, as President, and by _____, as Secretary-Treasurer of The Boulder Municipal Property Authority.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary Public for the State of Colorado

My commission expires:

_____

[Signature Page 1 to Lease Purchase Agreement]

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this _____ day of November, 2015, by _____, as Mayor, and _____, as City Clerk, of the City of Boulder, Colorado.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary Public for the State of Colorado

My commission expires:

_____

[Signature Page 2 to Lease Purchase Agreement]

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

Public Safety Building:

East Boulder Community Center:

A tract of land located in the NW1/4 of the SW1/4 of Section 3, T1S, R70W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of the SE1/4 of the SE1/4 of Section 4, T1S, R70W of the 6th P.M., thence N00°10’19"E, 2376.80 feet along the West line of the E1/2 of the SE1/4 of said Section 4 to the Southwest Corner of that tract of land as described in Deed recorded in Book 866 at Page 192 of the records of Boulder County, Colorado; thence S86°45’49"E, 1581.54 feet to the TRUE POINT OF BEGINNING;

Thence N00°45’00"W, 316.15 feet; thence N89°40’00"E, 713.57 feet; thence S01°32’00"W, 119.00 feet; thence S17°20’00"W, 103.00 feet; thence S10°30’00"E, 157.00 feet; thence S01°55’00"E, 92.00 feet; thence N87°29’00"W, 20.00 feet; thence N59°45’00"W, 84.00 feet; thence S63°22’00"W, 330.00 feet; thence N44°53’00"W, 330.00 feet; thence N80°41’00"W, 88.00 feet to the TRUE POINT OF BEGINNING.

Area = 7.243 acres (315,509 square feet), more or less.

Park Central Building:

EXHIBIT B

BASE RENTALS PAYMENT SCHEDULE

Payment Date	Base Rental Principal Component	Base Rental Interest Component	Total Base Rentals Due on Payment Date	Annual Total
4/25/2016	0			
10/25/2016				
4/25/2017	0			
10/25/2017				
4/25/2018	0			
10/25/2018				
4/25/2019	0			
10/25/2019				
4/25/2020	0			
10/25/2020				
4/25/2021	0			
10/25/2021				
4/25/2022	0			
10/25/2022				
4/25/2023	0			
10/25/2023				
4/25/2024	0			
10/25/2024				
4/25/2025	0			
10/25/2025				

4/25/2026	0
10/25/2026	
4/25/2027	0
10/25/2027	
4/25/2028	0
10/25/2028	
4/25/2029	0
10/25/2029	
4/25/2030	0
10/25/2030	
4/25/2031	0
10/25/2031	
4/25/2032	0
10/25/2032	
4/25/2033	0
10/25/2033	
4/25/2034	0
10/25/2034	
4/25/2035	0
10/25/2035	
4/25/2036	0
10/25/2036	

EXHIBIT C

FORM OF RENEWAL CERTIFICATE

The undersigned City Manager of the City of Boulder, Colorado (the "City") hereby certifies in compliance with Section 6.03 of the Lease Purchase Agreement, dated as of November 1, 2015 (the "Lease") between the City and The Boulder Municipal Property Authority, that as of the date of this Renewal Certificate the City Council of the City has taken such actions necessary to renew the Lease for fiscal year _____ and thereby has avoided an Event of Nonappropriation and Nonrenewal under the Lease.

Dated this _____ day of _____, _____.

CITY OF BOULDER, COLORADO

By _____
City Manager

EXHIBIT D

RELEASE AND AMORTIZATION SCHEDULE

PORTION OF THE LEASED PROPERTY	VALUES OF LEASED PROPERTY FOR PURPOSES OF RELEASE PURSUANT TO SECTION 8.03(d) OF THE LEASE
Park Central Building	$_____
East Boulder Community Center	$_____
Public Safety Building[1]	$_____

[1] Pursuant to Section 8.03(d) of the Lease, the Public Safety Building may not be released unless all principal of the Certificates is paid or defeased pursuant to Section 10.01 of the Indenture.

MORTGAGE AND INDENTURE OF TRUST

between

THE BOULDER MUNICIPAL PROPERTY AUTHORITY,
as Grantor

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of November 1, 2015

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APPENDIX A FORM OF CERTIFICATE
APPENDIX B DESCRIPTION OF THE LEASED PROPERTY

THIS MORTGAGE AND INDENTURE OF TRUST (this "Indenture") is dated as of November 1, 2015, and is entered into by and between **THE BOULDER MUNICIPAL PROPERTY AUTHORITY** (the "Corporation"), a nonprofit corporation duly organized and validly existing under the laws of the State of Colorado, as grantor, and **U.S. BANK NATIONAL ASSOCIATION,** Denver, Colorado, a national banking association duly organized and validly existing under the laws of the United States of America, as trustee (the "Trustee").

W I T N E S S E T H :

WHEREAS, the Corporation (a) is a nonprofit corporation that is duly organized, validly existing and in good standing under the laws of the State; (b) is duly qualified to do business in the State; (c) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to acquire the Leased Property, to lease the Leased Property to the City (defined herein), to grant the Trust Estate to the Trustee, and to execute, deliver and perform its obligations under the Lease and this Indenture; and

WHEREAS, the Trustee (a) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America; (b) is duly qualified to do business in the State; and (c) is authorized, under its articles of association, action of its board of directors and applicable law, to accept the grant of the Trust Estate from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture; and

WHEREAS, the Corporation, as lessor, and the City, as lessee, have agreed pursuant to the Lease that the Corporation shall lease the Leased Property to the City and the City shall pay Base Rentals and Additional Rentals, subject, in each case, to the terms of the Lease; and

WHEREAS, pursuant to this Indenture, all of the Corporation's right, title and interest in the Base Rentals received and to be received from the City pursuant to the Lease and the Corporation's rights to receive certain other payments as provided herein and in the Lease, are assigned by the Corporation to the Trustee; and

WHEREAS, pursuant to this Indenture, the Corporation has also granted to the Trustee a mortgage on the Leased Property; and

WHEREAS, in order to finance the acquisition of the Leased Property, the Trustee shall authenticate and deliver the "The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015" (the "Certificates"); and

WHEREAS, the Certificates of the Corporation shall evidence undivided interests in the right to receive Lease Revenues, shall be payable solely from the Trust Estate and no provision of the Certificates, this Indenture or the Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year or for any Fiscal Year for which the City has not renewed the Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the constitution of the State or any other Charter, constitutional or statutory

limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the constitution of the State; and

WHEREAS, the Certificates shall be special, limited obligations payable solely from the Trust Estate on the terms provided herein; and

WHEREAS, the Trustee has entered into this Indenture for and on behalf of the Owners, and will, except as otherwise specifically provided herein, hold its rights hereunder, including its rights with respect to the Trust Estate, for the equal and proportionate benefit of the Owners, and will disburse moneys received by it in accordance with this Indenture; and

WHEREAS, all things necessary to make the Certificates, when executed, delivered and authenticated by the Trustee and as in this Indenture provided, legal, valid and binding obligations enforceable against the Corporation and the Trustee in accordance with the terms thereof, and to constitute this Indenture a legal, valid and binding instrument for the security of the Certificates in accordance with the terms hereof, have been done and performed;

NOW, THEREFORE, THIS MORTGAGE AND INDENTURE OF TRUST WITNESSETH:

That the Corporation, in consideration of the premises and the mutual covenants herein contained and for the benefit of the Owners, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on all Certificates at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Certificates and herein contained, and to declare the terms and conditions upon and subject to which the Certificates are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, warranted, mortgaged, alienated, remised, released, conveyed, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, mortgage, alien, remise, release, convey, assign, pledge, set over and confirm unto the Trustee and to its successors and assigns forever, all and singular the following described property, franchises and income, including any title therein acquired after these presents:

(a) the Leased Property and the tenements, hereditaments, appurtenances, rights, privileges and immunities thereto belonging or appertaining, subject to the terms of the Lease including, but not limited to, the terms of the Lease permitting the existence of Permitted Encumbrances;

(b) all rights, title and interest of the Corporation in, to and under the Lease, other than the rights, title and interest of the Corporation with respect to certain payments or reimbursement to the Corporation thereunder for its costs, fees and expenses and the rights of third parties to Additional Rentals;

(c) all Lease Revenues, including without limitation all Base Rentals, the Purchase Option Price, if paid and any Net Proceeds subject to the application thereof as provided herein; and

(d) all money and securities from time to time held by the Trustee under this Indenture in the Debt Service Fund or any other fund or account created hereunder and held by the Trustee other than those excluded by Section 3.05 hereof, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specially mortgaged, pledged or hypothecated, as and for additional security hereunder, by the Corporation, or by anyone on its behalf, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

SUBJECT, HOWEVER to the Corporation's retention of its rights to payment of its expenses and indemnification under the Lease and the rights of third parties to Additional Rentals payable to them under the Lease;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Owners, without privilege, priority or distinction as to the lien or otherwise of any of the Certificates over any other of the Certificates, except as otherwise provided herein;

PROVIDED, HOWEVER, that if the principal of the Certificates and the interest due or to become due thereon shall be paid at the times and in the manner mentioned in the Certificates, according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Certificates issued and secured hereunder are to be executed, authenticated and delivered and all said property, rights, interests, revenues and receipts hereby pledged, assigned and mortgaged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee for the benefit of the Owners, as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used herein and defined in the Lease shall have the same meanings in this Indenture. In addition, the following capitalized terms shall have the following meanings in this Indenture including the preambles of granting clauses hereto:

"*Acquisition Property*" means certain property constituting the Boulder Community Health Broadway Campus, and more specifically the real estate including improvements located

at [1100 Balsam, 1155 Alpine, 1136 Alpine, 2655 Broadway, 1125 North Street and 1135 North Street], Boulder, Colorado 80302.

"*Acquisition Property Fund*" means the special fund created by Section 3.03 hereof.

"*Bond Counsel*" means (a) as of the date of issuance of the Certificates, Kutak Rock LLP, and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the City with nationally recognized expertise in the issuance of municipal securities.

"*Certificates*" means The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015, authorized to be issued pursuant to this Indenture.

"*Corporation*" means The Boulder Municipal Property Authority, or any successor thereto.

"*Cost of Issuance Fund*" means the special fund created by Section 3.02 hereof.

"*Costs of Issuance*" means administrative costs of issuance of any Certificates, including the initial compensation and expenses of the Trustee, any fees and expenses of any underwriter or financial advisor that provides services in connection with the issuance of any Certificates, any fees or expenses of the Corporation or the City in connection with the issuance of any Certificates, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, costs of immediately available funds, costs of publication and printing, recording and filing fees, costs of title insurance and any other related fees or expenses.

"*Date of Issuance*" means November __, 2015.

"*Debt Service Fund*" means the special fund created by Section 3.01 hereof.

"*Defeasance Securities*" means (a) cash; (b) non-callable direct obligations of the United States of America ("Treasuries"); (c) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor, and the underlying Treasuries are not available to any Person claiming through the custodian or to whom the custodian may be obligated; or (d) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively.

"*DTC*" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and its successors or assigns.

"*Event of Default*" means (a) when used with respect to the Lease, an event described in Section 12.01 thereof and (b) when used with respect to this Indenture, an event described in Section 7.01 hereof.

"*Indenture*" means this Mortgage and Indenture of Trust and any amendment or supplement hereto.

"*Initial Purchaser*" means _____.

"*Interest Account*" means the account of the Debt Service Fund created by and designated as such in Section 3.01(a) hereof.

"*Interest Payment Date*" means May 1 and November 1 of each year, beginning on May 1, 2016.

"*Lease*" means the Lease Purchase Agreement dated as of the date hereof between the Corporation and the City and any amendment or supplement thereto.

"*Lease Revenues*" means (a) the Base Rentals; (b) the Purchase Option Price, if paid; (c) any Net Proceeds; (d) any earnings on moneys on deposit in the Debt Service Fund; (e) all other revenues derived from the Lease, excluding Additional Rentals; and (f) any other moneys to which the Trustee may be entitled for the benefit of the Owners.

"*Leased Property*" means the buildings, the site improvements and the other real property described in Appendix B hereto, less any property released in accordance with Section 8.03 of the Lease, or condemned or replaced as provided in Section 8.06 of the Lease.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns.

"*Operations Center*" means the operations center of the Trustee in St. Paul, Minnesota, or such other center designated by the Trustee.

"*Opinion of Counsel*" means a written opinion of legal counsel, who may be counsel to the Trustee or the Corporation.

"*Outstanding*" means all Certificates which have been executed and delivered, except:

(a) Certificates canceled or which shall have been surrendered to the Trustee for cancellation;

(b) Certificates in lieu of which other Certificates have been executed under Section 2.07 or 2.08 hereof;

(c) Certificates which have been redeemed as provided in Article IV hereof (including Certificates redeemed on payment of an amount less than the outstanding principal thereof and accrued interest thereon to the redemption date as provided in Section 4.01 hereof);

(d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to Section 3.05 hereof; and

(e) Certificates which are otherwise deemed discharged pursuant to Section 10.01 hereof.

"*Owner*" of a Certificate means the registered owner of any Certificate as shown in the registration records of the Trustee.

"*Participant*" means, with respect to DTC or another Securities Depository, a member of or participant in DTC or such other Securities Depository, respectively.

"*Permitted Investments*" means any investment which the City is authorized to invest in under the laws of the State and its Charter.

"*Principal Account*" means the account of the Debt Service Fund created by and designated as such in Section 3.01(a) hereof.

"*Record Date*" means, with respect to each Interest Payment Date, the fifteenth day of the month (whether or not a Business Day) immediately preceding the month in which the Interest Payment Date occurs.

"*Securities Depository*" means DTC or, if applicable, any successor securities depository appointed pursuant to Section 2.10 hereof.

"*Special Record Date*" means a special date fixed to determine the names and addresses of Owners of Certificates for purposes of paying defaulted interest in accordance with Section 2.02 hereof.

"*Supplemental Indenture*" means any indenture supplementing or amending this Indenture that is adopted pursuant to Article IX hereof.

"*S&P*" means Standard & Poor's Ratings Services, and its successors and assigns.

"*Trust Estate*" means the property mortgaged, pledged and assigned to the Trustee pursuant to the granting clauses hereof. The Trust Estate does not include the Acquisition Property Fund, the Costs of Issuance Fund or any escrow accounts established pursuant to Section 10.01 hereof.

"*Trustee*" means U.S. Bank National Association, Denver, Colorado, acting in the capacity of trustee pursuant hereto, and any successor thereto appointed hereunder.

"*Trustee Representative*" means, as to any Trustee, any authorized trust officer of the Trustee.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF CERTIFICATES

Section 2.01. Authorized Amount of Certificates. No Certificates may be issued hereunder except in accordance with this Article. The aggregate principal amount of Certificates that may be issued hereunder shall be limited to $_____.

Section 2.02. Issuance of Certificates.

(a) The Certificates shall be issued, sold and delivered hereunder for the purposes of (i) acquiring the Leased Property and (ii) funding the Costs of Issuance Fund in order to pay the Costs of Issuance with respect thereto.

(b) The Certificates shall be issuable only as fully registered Certificates in the denominations of $5,000 and any integral multiple thereof (provided that no Certificate may be in a denomination which exceeds the principal coming due on any maturity date and no individual Certificate may be issued for more than one maturity). The Certificates shall be numbered in such manner as shall be determined by the Trustee.

(c) The principal of any Certificate shall be payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior redemption thereof and upon presentation and surrender at the Operations Center of the Trustee. Payment of interest on the Certificates shall be made by check or draft of the Trustee mailed, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date. Any such interest not so timely paid shall cease to be payable to the Person who is the Owner thereof at the close of business on the Record Date and shall be payable to the Person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than 10 days prior to the Special Record Date, by first-class mail to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Trustee may make payments of interest by wire transfer to any Person who is the Owner of in excess of $1,000,000 in aggregate principal amounts of the Certificates.

Section 2.03. Certificate Details.

The Certificates shall be designated as "The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015," shall evidence undivided interests in the right to receive certain revenues payable by the City under the Lease, and shall be issued in the aggregate principal amount of $_____. The Certificates shall be dated as of the Date of Issuance, shall mature on the dates and in the amounts set forth below, and shall bear interest from their Date of Issuance to maturity or prior redemption at the rates per annum shown below (based on a 360-day year comprised of twelve 30-day months), payable on each Interest Payment Date; except that Certificates which are reissued upon transfer, exchange or other replacement shall bear interest at the rates per annum shown below from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid, from the original dated date of the Certificates.

Dates Maturing (November 1)	Amounts Maturing	Interest Rate (Per Annum)

The Certificates shall be in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable. Appendix A is an integral part of this Indenture and is incorporated herein as if set forth in full in the body of this Indenture.

Section 2.04. Limited Obligations. Each Certificate shall represent an undivided interest in the right to receive Lease Revenues and shall be payable solely from the Trust Estate in accordance with, and subject to the terms of this Indenture. No provision of the Certificates, this Indenture or the Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year or for any Fiscal Year for which the City has not renewed the Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the constitution of the State or any other Charter, constitutional or statutory limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any Person, company or corporation within the meaning of Article XI, Section 1 of the constitution of the State.

Section 2.05. Execution and Authentication of Certificates. The manual signature of a duly authorized signatory of the Trustee shall appear on each Certificate. Any Certificate shall be deemed to have been executed by a duly authorized signatory of the Trustee if signed by the Trustee, but it shall not be necessary that the same signatory sign all of the Certificates issued hereunder. If any signatory of the Trustee whose signature appears on a Certificate shall cease to be such official before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained a duly authorized signatory of the Trustee until delivery.

Section 2.06. Delivery of Certificates. Upon the execution and delivery of this Indenture, the Trustee shall execute and deliver such Certificates to the Initial Purchaser thereof, as hereinafter in this Section provided:

(a) Prior to the delivery by the Trustee of any of such Certificates, there shall have been filed with the Trustee (i) an originally executed counterpart of this Indenture, (ii) a certified copy of the Lease, and (iii) the title insurance policy or commitment required by Section 6.03 hereof.

(b) The Trustee shall deliver such Certificates to the Initial Purchaser of the Certificates, upon payment to the Trustee of the agreed purchase price of $_____, which sum shall be applied as follows:

(i) $_____ shall be deposited into the Acquisition Property Fund to be used by the City to acquire the Acquisition Property or otherwise as provided in Section 3.03(c) hereof.

(ii) $_____ shall be deposited into the Costs of Issuance Fund in order to pay the Costs of Issuance with respect to the Certificates.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Certificates. In the event that any Certificate is mutilated, lost, stolen or destroyed, a new Certificate may be executed on behalf of the Trustee, of like date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee shall have received such evidence, information or indemnity from the Owner of the Certificate as the Trustee and the Corporation may reasonably require, and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered to the Trustee. In the event that any such Certificate shall have matured, instead of issuing a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee will charge the Owner of the Certificate with its reasonable fees and expenses in this connection and require payment of such fees and expenses as a condition precedent to the delivery of a new Certificate.

Section 2.08. Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates.

(a) Records for the registration and transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar for the Certificates. The principal of and interest on any Certificate shall be payable only to or upon the order of the Owner or his legal representative (except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Certificate at the Operations Center of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned.

(b) Fully registered Certificates may be exchanged at the Operations Center of the Trustee for an equal aggregate principal amount of fully registered Certificates of the same maturity and interest rate of other authorized denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

(c) The Trustee may require the payment, by the Owner of any Certificate requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

(d) The Trustee shall not be required to transfer or exchange (i) all or any portion of any Certificate during the period beginning at the opening of business 15 days before the day of the mailing by the Trustee of notice calling any Certificates for prior redemption and ending at the close of business on the day of such mailing; or (ii) all or any portion of a Certificate after the mailing of notice calling such Certificate or any portion thereof for prior redemption.

(e) Except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the Person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest on any Certificate shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

Section 2.09. Cancellation of Certificates. Whenever any Outstanding Certificates shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Section 2.07 or 2.08 hereof, such Certificates shall be promptly cancelled by the Trustee.

Section 2.10. Book-Entry System.

Notwithstanding any other provision hereof, the Certificates shall be initially issued in the form of a separate single certificated fully registered Certificate for each of the maturities (and for each interest rate with the same maturity) set forth in Section 2.03 hereof. Upon initial issuance, the ownership of each Certificate shall be registered in the registration records kept by the Trustee in the name of Cede & Co. ("Cede"), as nominee of DTC. Except as provided in Section 2.10(a) hereof, all of the Outstanding Certificates shall be registered in the registration records kept by the Trustee in the name of Cede, as nominee of DTC.

With respect to Certificates registered in the registration records kept by the Trustee in the name of Cede, as nominee of DTC, the Corporation and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Certificates. Without limiting the

immediately preceding sentence, neither the Corporation nor the Trustee shall have responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Participant or any other Person, other than an Owner, as shown in the registration records kept by the Trustee, of any notice with respect to the Certificates, including any notice of redemption, (iii) the payment to any Participant or any other Person, other than an Owner, as shown in the registration records kept by the Trustee, of any amount with respect to principal of or interest on the Certificates, (iv) the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Certificates, or (v) any consent given or other action taken by DTC. The Corporation and the Trustee may treat and consider the Person in whose name each Certificate is registered in the registration records kept by the Trustee as the absolute Owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever, and neither the Corporation nor the Trustee will be affected by any notice to the contrary. The Trustee shall pay all principal of and interest on the Certificates only to or upon the order of the respective Owner, as shown in the registration records kept by the Trustee, or their respective attorneys duly authorized in writing, as provided in Section 2.08 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No Person, other than an Owner, as shown in the registration records kept by the Trustee, shall receive a certificated Certificate evidencing the obligation to make payments of principal and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to Record Dates, the word "Cede" in this Indenture shall refer to such new nominee of DTC.

(a) DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving notice to the Corporation or the Trustee and discharging its responsibilities with respect thereto under applicable law.

(b) The Trustee, with the consent of the Authority, may terminate the services of DTC with respect to the Certificates if the Trustee determines that:

(i) DTC is unable to discharge its responsibilities with respect to the Certificates, or

(ii) a continuation of the requirement that all of the Outstanding Certificates be registered in the registration records kept by the Trustee in the name of Cede or any other nominee of DTC is not in the best interest of the beneficial owners of the Certificates.

(c) Upon the termination of the services of DTC with respect to the Certificates pursuant to subsection 2.10(a)(ii)(B) hereof, or upon the discontinuance by

DTC of its services or the inability of DTC to provide services with respect to the Certificates pursuant to subsection 2.10(a)(i) or subsection 2.10(a)(ii)(A) hereof, respectively, the Corporation shall attempt to locate another qualified Securities Depository. If, however, no substitute Securities Depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Trustee and the Corporation, is willing and able to undertake such functions upon reasonable and customary terms, the Trustee shall be obligated to deliver certificated Certificates at the expense of the beneficial owners of the Certificates, as described in this Indenture, and the Certificates shall no longer be restricted to being registered in the registration records kept by the Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names the Owner transferring or exchanging Certificates shall designate, in accordance with the provisions of this Indenture.

Section 2.11. Negotiability. Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs or cross-claims between or among the Corporation, the Trustee and the original or any intermediate owner of any Certificates.

ARTICLE III

FUNDS AND ACCOUNTS

Section 3.01. Debt Service Fund.

(a) ***Creation of the Debt Service Fund***. A special fund is hereby created and established with the Trustee to be designated "The Boulder Municipal Property Authority Taxable Certificates of Participation Debt Service Fund" (the "Debt Service Fund") and, within such fund, the Interest Account and the Principal Account.

(b) ***Payments into the Interest Account of the Debt Service Fund***. There shall be deposited into the Interest Account of the Debt Service Fund (i) that portion of each payment of Base Rentals made by the City which is designated and paid as the interest component thereof under Exhibit B to the Lease, as it may be amended; (ii) any moneys transferred to the Interest Account of the Debt Service Fund from the Cost of Issuance Fund pursuant to Section 3.02(c) hereof; and (iii) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Interest Account of the Debt Service Fund (including that portion of the Purchase Option Price to be applied to interest of the Certificates upon redemption).

(c) ***Payments into the Principal Account of the Debt Service Fund***. There shall be deposited into the Principal Account of the Debt Service Fund (i) that portion of each payment of Base Rentals made by the City which is designated and paid as the principal component thereof under Exhibit B to the Lease, as it may be amended; and

(ii) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Principal Account of the Debt Service Fund (including that portion of the Purchase Option Price to be applied to principal of the Certificates upon redemption).

(d) ***Use of Moneys in Principal Account and Interest Account of the Debt Service Fund***. Moneys in the Interest Account of the Debt Service Fund shall be used solely for the payment of interest on the Certificates and moneys in the Principal Account of the Debt Service Fund shall be used solely for the payment of the principal of the Certificates; provided that (i) in the event that there are any remaining moneys upon payment of the interest due on the Certificates, such moneys may be used for the payment of principal of the Certificates; and (ii) the Purchase Option Price and any other moneys transferred to the Debt Service Fund with specific instructions that such moneys be used to pay the redemption price of Certificates shall be used solely to pay the redemption price of Certificates.

Section 3.02. Costs of Issuance Fund.

(a) ***Creation of the Costs of Issuance Fund***. A special fund is hereby created and established with the Trustee to be designated the "The Boulder Municipal Property Authority Taxable Certificates of Participation Costs of Issuance Fund" (the "Costs of Issuance Fund").

(b) ***Deposits Into the Costs of Issuance Fund***. There shall be deposited into the Costs of Issuance Fund, from the proceeds of the sale of the Certificates, the amount set forth in Section 2.06(b) hereof.

(c) ***Use of Moneys in the Costs of Issuance Fund***. Moneys held in the Costs of Issuance Fund shall be used to pay Costs of Issuance as directed by the Corporation. After six months from the date of issuance, the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund that are not required to pay Costs of Issuance to the Interest Account of the Debt Service Fund.

Section 3.03. Acquisition Property Fund.

(a) ***Creation of the Acquisition Property Fund***. A special fund is hereby created and established with the Trustee to be designated the "The Boulder Municipal Property Authority Taxable Certificates of Participation Acquisition Property Fund" (the "Acquisition Property Fund").

(b) ***Deposits into the Acquisition Property Fund***. There shall be deposited into the Acquisition Property Fund, from the proceeds of the sale of the Certificates, the amount set forth in Section 2.06(b) hereof, and any other that are accompanied by instructions to deposit the same into the Acquisition Property Fund.

(c) ***Use of Moneys in the Acquisition Property Fund***. Amounts on deposit in the Acquisition Property Fund shall be paid to the City or such other party as a City Representative may designate to be used to acquire the Acquisition Property. If the City

shall determine that for any reason it will be unable to acquire the Acquisition Property, or if after payment of the purchase price of the Acquisition Property, amounts remain in the Acquisition Property Fund, then, upon written direction of the City Representative, amounts on deposit in the Acquisition Property Fund shall be disbursed to the City or as otherwise directed therein.

Section 3.04. Nonpresentment of Certificates. In the event any Certificate shall not be presented for payment when due, if funds sufficient to pay such Certificate shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to such Certificate. Funds so held but unclaimed by an Owner shall be delivered to the Corporation after the expiration of five years or, upon receipt by the Trustee of an opinion of Bond Counsel that such funds may be released to the Corporation on such earlier date, on any earlier date designated by the Corporation.

Section 3.05. Moneys to be Held in Trust. The Debt Service Fund and, except for the Acquisition Property Fund and the Cost of Issuance Fund and any escrow accounts established pursuant to Section 10.01 hereof, any other fund or account created hereunder shall be held by the Trustee, for the benefit of the Owners as specified in this Indenture, subject to the terms of this Indenture and the Lease.

Section 3.06. Repayment to the City From the Trustee. After payment in full of the principal of and interest on the Certificates, the fees and expenses of the Trustee and the Corporation and all other amounts required to be paid hereunder, any remaining amounts held by the Trustee pursuant hereto shall be paid to the City.

ARTICLE IV

REDEMPTION OF CERTIFICATES

Section 4.01. Redemption of Certificates in Whole Upon an Event of Nonappropriation and Nonrenewal or Event of Default under the Lease.

(a) The Certificates shall be called for redemption in whole, at a redemption price determined pursuant to subsection (b) of this Section, on any date, in the event of the occurrence of an Event of Nonappropriation and Nonrenewal under the Lease or the occurrence and continuation of an Event of Default under the Lease.

(b) The redemption price for any redemption pursuant to this Section shall be the lesser of (i) the principal amount of the Certificates, plus accrued interest to the redemption date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Lease and this Indenture with respect to an Event of Nonappropriation and Nonrenewal or the occurrence and continuation of an Event of Default that gave rise to such redemption; and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Certificates (including amounts then held in any other special trust fund or account),

which amounts shall be allocated among the Certificates in proportion to the principal amount of each Certificate. Notwithstanding any other provision hereof, the payment of the redemption price of any Certificate pursuant to this Section shall be deemed to be the payment in full of such Certificate and no Owner of any Certificate redeemed pursuant to this Section shall have any right to any payment from the Corporation, the Trustee or the City in excess of such redemption price.

(c) In addition to any other notice required to be given under this Article or any other provision hereof, the Trustee shall, immediately upon the occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default under the Lease, notify the Owners (i) that such event has occurred and (ii) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price set forth in clause (i) of subsection (b) of this Section. If the funds then available to the Trustee are sufficient to pay the redemption price set forth in clause (i) of subsection (b) of this Section, such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price set forth in clause (i) of subsection (b) of this Section, the Corporation and the Trustee shall (A) immediately pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Lease and this Indenture and (B) subject to the provisions of Article VII hereof, immediately begin to exercise and shall diligently pursue all remedies available to them under the Lease in connection with such Event of Nonappropriation and Nonrenewal or Event of Default and under this Indenture. The remainder of the redemption price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies.

Section 4.02. Redemption of Certificates in Whole Upon Payment of Purchase Option Price. The Certificates maturing on or after November 1, _____ shall be called for redemption, in whole, at a redemption price equal to the principal amount of the Certificates, plus accrued interest, on any date on and after November 1, _____, in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to purchase in full the Leased Property as provided in the Lease, upon payment of the then applicable Purchase Option Price.

Section 4.03. Optional Redemption. The Certificates maturing on or prior to November 1, 20__ shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after November 1, 20__ shall be subject to redemption prior to their respective maturity dates at the option and direction of the City, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturities as the City shall determine and by lot within a maturity, on November 1, 20__, on and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date and without a premium.

In the case of a partial redemption of Certificates pursuant to this Section, the City shall provide the Trustee with a revised Base Rentals Payment Schedule constituting a new Exhibit B to the Lease, which shall adjust the principal and interest portions of the Base Rentals to reflect the redemption of the amounts and maturities of the corresponding Certificates.

Section 4.04. Mandatory Sinking Fund Redemption. The Certificates maturing on November 1, ___ are subject to mandatory sinking fund redemption by lot on November 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

Mandatory Redemption Date (November 1)	Amount to be Redeemed

[1] Maturity date.

The Certificates maturing on November 1, ____ are subject to mandatory sinking fund redemption by lot on November 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

Mandatory Redemption Date (November 1)	Amount to be Redeemed

[1] Maturity date.

The principal amount of Certificates to be redeemed on any date pursuant to this Section shall be reduced by the principal amount of any Certificates of the same maturities that have, on or before the forty-fifth day next preceding the sinking fund redemption date, been delivered to the Trustee for cancellation or have been redeemed pursuant to Section 4.03 hereof and have not previously been applied as a credit against any sinking fund obligation.

Section 4.05. Notice of Redemption.

(a) Notice of the call for any redemption, identifying the Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States certified or registered first-class mail, at least 30 days prior to the date fixed for redemption, to the Owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings of any Certificates as to which no such failure has occurred.

(b) Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

(c) If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Certificates called for redemption, which moneys are or will be available for redemption of Certificates, such

notice shall state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 4.06. Redemption Payments.

(a) On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Certificates called for redemption, together with accrued interest thereon to the redemption date. Upon the giving of notice by the Trustee to the Owner of each Certificate to be redeemed and the deposit of such funds as may be available for redemption pursuant to this Indenture (which, in the case of redemption pursuant to Section 4.01 hereof, may be less than the full principal amount of the Outstanding Certificates and accrued interest thereon to the redemption date), interest on the Certificates or portions thereof thus called for redemption shall no longer accrue after the date fixed for redemption.

(b) The Trustee shall pay to the Owners of Certificates so redeemed the amounts due on their respective Certificates at the Operations Center of the Trustee upon presentation and surrender of the Certificates.

Section 4.07. Cancellation. All Certificates which have been redeemed shall not be reissued but shall be cancelled and cremated or otherwise destroyed by the Trustee in accordance with Section 2.09 hereof.

ARTICLE V

INVESTMENTS

All moneys held as part of any other fund, account or subaccount created hereunder shall be deposited or invested and reinvested by the Trustee, at the written direction of the City, in Permitted Investments. Any and all such deposits or investments shall be held by or under the control of the Trustee. The Trustee may make any and all such deposits or investments through its own trust department or the trust department of any bank or trust company under common control with the Trustee. Income from deposits or investments of moneys held in any escrow account established pursuant to Section 10.01 hereof shall be deposited as provided in the escrow agreement governing such escrow account. Otherwise deposits or investments shall at all times be a part of the fund, account or subaccount from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund, account or subaccount. The Trustee shall sell and reduce to cash a sufficient amount of such deposits or investments in the respective funds whenever the cash balance in the Principal Account or Interest Account of the Debt Service Fund is insufficient to pay the principal of and interest on the Certificates when due, or whenever the cash balance in any fund or account created hereunder is insufficient to satisfy the purposes of such fund or account. In computing the amount in any fund or account created hereunder for any purpose hereunder, investments shall be valued quarterly at the lower of cost (exclusive of accrued interest) or fair market value.

The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments, and the City shall promptly provide the Trustee with written direction confirming such investments. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the Corporation that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the Corporation shall be sufficient, unless the Corporation notifies the Trustee in writing to the contrary within 30 days of the date of such statement. The Trustee shall without further direction from the Corporation sell such qualified investments as and when required to make any payment for the purpose for which such investments are held.

The Trustee shall not be liable for any loss resulting from any such investment, nor from failure to preserve rights against endorsers or other prior parties to instruments evidencing any such investment. The Trustee shall be entitled to rely on all written investment instructions provided by the City hereunder and shall have no duty to monitor the compliance thereof with the restrictions set forth in Article V and in the Lease. The Trustee shall not be responsible or liable for the performance of any investment or for keeping the moneys held by it hereunder fully invested at all times

The City and the Corporation acknowledge that regulations of the Comptroller of the Currency grant the City and the Corporation the right to receive brokerage confirmations of the security transactions as they occur. The City and Corporation specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements from the Trustee which will detail all investment transactions

ARTICLE VI

COVENANTS OF THE CORPORATION

Section 6.01. Representations, Covenants and Warranties Regarding Execution, Delivery and Performance of Indenture. The Corporation represents, covenants and warrants that:

(a) The Corporation (i) is a nonprofit corporation that is organized, validly existing and in good standing under the laws of the State, (ii) is duly qualified to do business in the State and (iii) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to own the Leased Property, to lease the Leased Property to the City, to execute, deliver and perform its obligations under the Lease and hereunder, to grant the Trust Estate to the Trustee and to execute, deliver and perform its obligations hereunder.

(b) The execution, delivery and performance of this Indenture by the Corporation has been duly authorized by the Corporation.

(c) This Indenture is enforceable against the Corporation in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other

similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the constitution of the United States of America.

(d) The execution, delivery and performance of the terms of this Indenture by the Corporation does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Indenture or the Lease, or, except as specifically provided in this Indenture or the Lease, result in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the Corporation.

(e) There is no litigation or proceeding pending or threatened against the Corporation or any other Person affecting the right of the Corporation to execute, deliver or perform its obligations under this Indenture.

Section 6.02. Maintenance of Existence; Performance of Obligations.

(a) The Corporation shall at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of incorporation and bylaws, action of its board of directors and applicable law; provided, however, that this covenant shall not prevent the assumption, by operation of law or otherwise, by any Person of the rights and obligations of the Corporation hereunder, but only if and to the extent such assumption does not materially impair the rights of the Owner of any Outstanding Certificate.

(b) The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of this Indenture, the Lease, any other instrument or other arrangement to which it is a party that benefits the Owners of any Outstanding Certificates and any other Requirement of Law.

Section 6.03. Title Insurance. The Trustee shall be provided with a standard mortgagee's title insurance policy insuring the Trustee's mortgage interest in the real estate included in the Leased Property, subject only to Permitted Encumbrances, in an amount not less than the principal amount of the Certificates. Such policy, or a binding commitment therefor, shall be provided to the Trustee concurrently with the issuance of the Certificates.

Section 6.04. Sale or Encumbrance of Leased Property. As long as there are any Outstanding Certificates, and except as otherwise permitted by this Indenture and except as the Lease otherwise specifically requires, the Corporation shall not allow any lien or encumbrance thereon except for Permitted Encumbrances (including the Lease) and shall not sell or otherwise dispose of any of the Leased Property.

Section 6.05. Rights of Trustee under Lease. The Corporation hereby covenants to the Trustee for the benefit of the Owners that the Corporation will observe and comply with its obligations under the Lease, and represents and warrants that all the representations made by the Corporation in the Lease are true. Wherever in the Lease it is stated that the City will notify the Corporation, or wherever the Lease gives the Corporation or the Trustee some right or privilege, such part of the Lease shall be as if it were set forth in full in this Indenture. The Corporation agrees that the Trustee, as assignee of the Corporation under the Lease, may enforce, in its name or in the name of the Corporation, all rights of the Corporation and all obligations of the City under the Lease, for and on behalf of the Owners, whether or not the Corporation is in default under this Indenture.

Section 6.06. Defense of Trust Estate. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect its title to the Leased Property and the other property or property rights included in the Trust Estate, the grant of the Trust Estate to the Trustee under this Indenture and all the rights of the Owners under this Indenture against all claims and demands of all Persons whomsoever.

Section 6.07. Limited Activity Enterprise. The Corporation shall not engage in any activities other than the ownership and operation of property and activities related to the ownership and operation of property.

Section 6.08. Inspection of the Leased Property. The Trustee and its duly authorized agents shall have the rights (but shall have no obligation), on reasonable notice to the Corporation and the City, at all reasonable times, to examine and inspect the Leased Property (subject to such regulations as may be imposed by the Corporation and the City for security purposes). The Trustee and its duly authorized agents shall also be permitted (but shall have no obligation), at all reasonable times, to examine the books, records, reports and other papers of the Corporation with respect to the Leased Property.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Any of the following shall constitute an "Event of Default" under this Indenture:

(a) Default in the payment of the principal of any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption.

(b) Default in the payment of any installment of interest on any Certificate when the same shall become due and payable.

(c) The occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default under the Lease.

(d) Failure by the Corporation to cure any noncompliance with any other provision of this Indenture within 30 days after receiving notice of such noncompliance.

Section 7.02. Remedies on Default.

(a) Upon the occurrence of an Event of Default described in Section 7.01(c) hereof, the Trustee, as assignee of the rights of the Corporation under the Lease may, or at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall, without any further demand or notice, take one or any combination of the remedial steps described in Section 12.02 of the Lease.

(b) The Trustee shall also be entitled, upon any Event of Default described in Section 7.01(c) hereof to any moneys in any funds or accounts created hereunder (except the Acquisition Property Fund and any escrow accounts established pursuant to Section 10.01 hereof).

(c) Upon any Event of Default described in Section 7.01(a) or (b) hereof, the Trustee may take whatever action at law or in equity, including but not limited to the appointment of a receiver, may appear necessary or desirable to enforce the rights of the Owners, including but not limited to, its rights as assignee of the Corporation's rights under the Lease and as mortgagee hereunder.

(d) No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(e) Subject to Section 7.03 hereof, if any Event of Default under this Indenture shall have occurred and if requested by the Owners of a majority in aggregate principal amount of Certificates then Outstanding, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

(f) Subject to Section 7.03 hereof, the Trustee, as assignee of the rights of the Lease, shall control all remedies available to the Corporation under the Lease.

Section 7.03. Majority of Owners May Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Trustee shall not be required to act on any directive given to it pursuant to this Section unless indemnified as provided in Section 8.02 hereof.

Section 7.04. Rights and Remedies of Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default under this Indenture has occurred of which the Trustee has

been notified as provided in Section 8.02(h) hereof, or of which by Section 8.02(h) hereof it is deemed to have notice, and the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name nor unless they have also offered to the Trustee indemnity as provided in Section 8.02 hereof; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her, its or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Certificates then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Owner to enforce the payment of the principal of or interest on any Certificate at and after the maturity thereof.

Section 7.05. Purchase of Leased Property by Owner or Trustee; Application of Certificates Toward Purchase Price. Upon the occurrence of an Event of Default hereunder, the lien on the Leased Property created and vested in the Trustee hereunder may be foreclosed either by sale at public auction or by proceedings in equity. Upon any such sale, any Owner or the Trustee may bid for and purchase the Leased Property; and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in his, her, its or their own absolute right without further accountability; and any purchaser at any such sale may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash for the costs and expenses of the sale, compensation and other charges, in paying the purchase money, turn in Certificates then Outstanding in lieu of cash, equal to the amount which shall, upon distribution of the Net Proceeds of such sale and any other moneys available hereunder, be payable thereon. If the Trustee shall acquire the Leased Property, as a result of any such foreclosure sale, or any proceeding or transaction in lieu of foreclosure, the Trustee shall thereafter sell the Leased Property and may take any further lawful action with respect to the Leased Property which it shall deem to be in the best interest of the Owners, including but not limited to the enforcement of all rights and remedies set forth in the Lease and this Indenture and the taking of all other courses of action permitted herein or therein.

The foregoing paragraph notwithstanding, in no event shall the Trustee be required to foreclose on, take title to, take possession of or operate any part or all of the Leased Property unless (a) it shall have been provided with indemnity satisfactory to it from the Owners of the Certificates for the reimbursement of all expenses which it may incur and to protect it against all risk and liability related to or arising from the foreclosure, taking of title to, possession or operation of the collateral and (b) it shall have been furnished any environmental surveys or audits (including without limitation Phase audits) or any other information which in its sole judgment the Trustee deems necessary or advisable to protect the interests of the Trustee or the Owners of the Certificates. The Trustee may decline to foreclose on, take title to, take possession of or operate any part or all of the Leased Property if in its reasonable judgment based

on the materials described in clause (b) above such action might subject it to potential liability not adequately covered by the indemnity referred to in clause (a) above.

Section 7.06. Waiver of Appraisement, Valuation, Stay, Execution and Redemption Laws. The Corporation agrees, to the extent permitted by law, that upon the occurrence of an Event of Default hereunder, neither the Corporation nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement or foreclosure of this Indenture, or the absolute sale of the Trust Estate to the extent permitted hereunder, or the final and absolute surrender of possession, immediately after such sale, to the purchasers; and the Corporation, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws, and any and all right to have the estates comprised in the security intended to be hereby created marshaled upon any foreclosure of the lien hereof and agrees that the Trustee or any court having jurisdiction to foreclose such lien may sell the Leased Property as an entirety.

Section 7.07. Trustee May Enforce Rights Without Certificates. All rights of action and claims under this Indenture or any of the Certificates Outstanding hereunder may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Certificates, and any recovery of judgment shall be for the ratable benefit of the Owners, subject to the provisions hereof.

Section 7.08. Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Leased Property, the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings for the entire amount due and payable on the Certificates under this Indenture, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Owner to file a claim in its own behalf.

Section 7.09. Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default hereunder shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 7.10. No Waiver of One Event of Default to Affect Another. No waiver of any Event of Default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.11. Discontinuance of Proceedings on Event of Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and

such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Corporation, the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.12. Waivers of Events of Default. The Trustee may, in its discretion waive any Event of Default hereunder and its consequences, and notwithstanding anything else to the contrary contained in this Indenture shall do so upon the written request the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding; provided, however, that there shall not be waived without the consent of the Owners of 100% of the Certificates then Outstanding as to which the Event of Default exists (a) any Event of Default in the payment of the principal of any Outstanding Certificates at the date of maturity specified therein; or (b) any Event of Default in the payment when due of the interest on any such Certificates, unless prior to such waiver or rescission, all arrears of interest and all arrears of payments of principal then due, as the case may be (including interest on all overdue installments at the highest rate due on the Certificates), and all fees and expenses of the Trustee in connection with such Event of Default shall have been paid or provided for (including attorneys fees and expenses). In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default hereunder shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the Trustee, the City and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default hereunder, or impair any right consequent thereon.

Section 7.13. Application of Moneys in Event of Indenture Default. Any moneys received, collected or held by the Trustee following an Event of Default under this Section and any other moneys held as part of the Trust Estate (except for moneys held in the Acquisition Property Fund, the Costs of Issuance Fund or any escrow accounts established pursuant to Section 10.01 hereof) shall be applied in the following order:

(a) To the payment of the reasonable costs, expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to, its counsel fees, and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;

(b) To the payment of interest then owing on the Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference priority of one Certificate over another or of any installment of interest over any other installment of interest;

(c) To the payment of principal or redemption price (as the case may be) then owing on the Outstanding Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Certificate over another; and

(d) The surplus, if any, shall be paid to the City.

ARTICLE VIII

CONCERNING THE TRUSTEE

Section 8.01. Representations, Covenants and Warranties Regarding Execution, Delivery and Performance of Indenture. The Trustee represents, covenants and warrants that:

(a) The Trustee (i) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America, (ii) is duly qualified to do business in the State and (iii) is authorized, under its articles of association, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate (defined herein) from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture.

(b) The execution, delivery and performance of this Indenture by the Trustee has been duly authorized by the Trustee.

(c) This Indenture is enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the constitution of the United States of America.

(d) The execution, delivery and performance of the terms of this Indenture by the Trustee does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Indenture or the Lease, result in the creation or imposition of a lien or encumbrance whatsoever upon the Trust Estate or any of the property or assets of the Trustee.

(e) There is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under this Indenture.

(f) The Trustee acknowledges and recognizes that the Lease will be terminated upon the occurrence of an Event of Nonappropriation and Nonrenewal thereunder, and that a failure by the City to appropriate funds and renew the Lease in a manner that results in an Event of Nonappropriation and Nonrenewal under the Lease is a legislative act that is solely within the discretion of the City Council of the City.

Section 8.02. Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default hereunder and after the curing of all Events of Default which may have occurred under this Indenture, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise as a reasonable and prudent man would exercise or use under the circumstances in the conduct of the affairs of another.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if the attorneys, agents, receivers or employees were selected with reasonable care, and shall be entitled to act upon an Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Certificates (except in respect of the execution of the Certificates on behalf of the Trustee), for collecting any insurance moneys or for the validity of the execution by the Corporation of this Indenture, any Supplemental Indenture or any instruments of further assurance, or for the sufficiency of the security for the Certificates issued hereunder or intended to be secured hereby, or for the value of or title to the Leased Property. The Trustee shall have no obligation to perform any of the duties of the Corporation under the Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it pursuant to instructions from the Corporation in accordance with Article V hereof. The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Certificates

(d) The Trustee shall not be accountable for the use of any Certificates delivered to the Initial Purchaser hereunder. The Trustee may become the Owner of Certificates with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Certificate shall be conclusive and binding upon any Certificates issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Corporation by the Corporation Representative or such other Person as may be designated for such purpose by the Corporation, as sufficient evidence of the facts therein contained.

(g) The permissive right of the Trustee to do things enumerated in this Indenture and in the Lease shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct, including without limitation a breach of fiduciary duty.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the Corporation to cause to be made any of the payments to the Trustee required to be made by Article III hereof, unless the Trustee shall be specifically notified in writing of such Event of Default by the Corporation or by the Owners of at least 10% in aggregate principal amount of Certificates then Outstanding.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect any and all of the Leased Property (subject to such regulations as may be imposed by the Corporation or the City for security purposes), including all books, papers and records of the Corporation pertaining to the Leased Property.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand in respect of the delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee.

(m) The Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder unless it has received assurances satisfactory to it that it will be repaid.

(n) Before taking any action under Sections 7.02, 7.03, 7.04, 7.05 or 7.12 hereof at the direction of the Owners as provided therein, the Trustee may require that reasonable indemnity be furnished to it by the Owners requesting the Trustee to act for the reimbursement of all expenses (including reasonable attorneys' fees and expenses)

which it may incur and to protect it against all liability, except liability which may result from its negligence or willful default, by reason of any action so taken.

(o) Whether or not therein expressly provided, every provision of this Indenture, the Lease, or any agreement assigned to the Trustee or executed by the Trustee, or any related documents relating to the conduct, powers, or duties of, or affecting the liability or affording protection to the Trustee shall be subject to the provisions of this Article VIII. Should there be a conflict between the terms of the Indenture and the terms of the Lease, the terms of the Indenture shall control.

Section 8.03. Compensation of Trustee. During the Lease Term, the Trustee shall be entitled to compensation in accordance with its agreement with the Corporation, which, notwithstanding any other provision hereof, may be amended at any time by agreement of the Corporation and the Trustee without the consent of or notice to the Owners. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. The rights of the Trustee to payments pursuant to this Section shall be superior to the rights of the Owners with respect to the Trust Estate. The Trustee's right to receive compensation, reimbursement, indemnification of money due and owing hereunder shall survive the Trustee's resignation or removal.

Section 8.04. Resignation or Replacement of Trustee.

(a) The present or any future Trustee may resign by giving written notice to the Corporation and the City not less than 60 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of a successor qualified as provided in subsection (c) of this Section; provided, however, that if no successor is appointed within 60 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor. The present or any future Trustee may be removed at any time by the Corporation in the event the Corporation reasonably determines that the Trustee is not duly performing its obligations hereunder or that such removal is in the best interests of the Corporation or the Owners, or by an instrument in writing, executed by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, for any breach of any of the Trustee's duties hereunder. In the event the Trustee is removed, it shall be paid its outstanding fees and expenses.

(b) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Owners of a majority in aggregate principal amount of the Certificates Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys in fact duly appointed; provided that (i) the Trustee that is resigning, being removed or otherwise incapable of acting and the Owners of a majority in aggregate principal amount of the Certificates Outstanding appointing a successor Trustee shall not be the same entity or affiliates of the same entity and (ii) the Corporation may, by an instrument executed by order of the Corporation, appoint a successor until a new successor shall be appointed by the Owners as herein authorized. In the event that the Trustee which is

resigning, being removed or otherwise incapable of acting shall be the same entity or affiliates of the same entity as the Owners of a majority in aggregate principal amount of the Certificates Outstanding, the Corporation shall appoint a successor Trustee by an instrument executed by order of the Corporation. The Corporation, upon appointing any successor Trustee, shall forthwith give notice thereof to each Owner and to the City, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor appointed by the Corporation may be superseded by a successor appointed by the Owners of a majority in aggregate principal amount of the Certificates Outstanding by an instrument or concurrent instruments signed by such Owners or their attorneys in fact duly appointed, provided that the successor Trustee and such Owners of a majority in aggregate principal amount of the Certificates Outstanding shall not be the same entity or affiliates of the same entity.

(c) Every successor shall be a bank or trust company in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act hereunder, and having a capital and surplus of not less than $50,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the Corporation an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the Corporation be required by any successor for more fully and certainly vesting in and confirming to it, the said instruments in writing shall, at the reasonable discretion of the Corporation, be made, executed, acknowledged and delivered by the Corporation on request of such successor.

(d) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed and/or recorded.

Section 8.05. Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding. In case any of the Certificates to be issued hereunder shall have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Certificates shall not have been executed, any successor Trustee may execute such Certificates in the name of such successor Trustee.

Section 8.06. Intervention by Trustee. In any judicial proceeding to which the Corporation or the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners, the Trustee may intervene on behalf of Owners and shall do so if requested in writing by the Owners of at least 10% in aggregate principal amount of Certificates Outstanding.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.01. Supplemental Indentures Not Requiring Consent of Owners. The Trustee and the Corporation may, without the consent of, or notice to, the Owners, enter into a Supplemental Indenture for any one or more or all of the following purposes:

(a) to add to the covenants and agreements of the Corporation contained in this Indenture other covenants and agreements to be thereafter observed by the Corporation;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Indenture;

(c) to subject to this Indenture additional revenues, properties or collateral (including substitution of property permitted under the Lease) and to release any of the Leased Property permitted to be released by Section 8.03 of the Lease; or

(d) to effect any other changes in this Indenture which do not materially adversely affect the rights of the Owners.

Section 9.02. Supplemental Indentures Requiring Consent of Owners.

(a) Exclusive of Supplemental Indentures under Section 9.01 hereof, the written consent of not less than a majority in aggregate principal amount of the Certificates Outstanding shall be required for the execution by the Corporation and the Trustee of any Supplemental Indenture; provided, however, that without the consent of the Owners of all the Certificates Outstanding nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Certificate, or a reduction in the principal amount of any Outstanding Certificate or the rate of interest thereon, without the consent of the Owner of such Certificate;

(ii) the deprivation as to the Owner of any Certificate Outstanding of the lien created by this Indenture (other than as permitted hereby);

(iii) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted herein; or

(iv) a reduction in the percentage of the aggregate principal amount of the Certificates required for consent to any Supplemental Indenture.

(b) If at any time the Corporation shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to the Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the Corporation following the mailing of such notice, the Owners of not less than a majority, or, with respect to the matters specified in paragraphs (i) through (iv) of subsection (a) of this Section, 100%, in aggregate principal amount of the Certificates Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.03. Execution of Supplemental Indenture. The Trustee is authorized to join with the Corporation in the execution of any Supplemental Indenture entered into in accordance with this Article and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any Supplemental Indenture which affects its rights, duties or immunities under this Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such Supplemental Indenture shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Certificates issued thereafter, if any, if deemed necessary or desirable by the Trustee.

Section 9.04. Amendments, etc., of the Lease Not Requiring Consent of Owners. The Corporation may, with the prior written consent of the Trustee, but without the consent of or notice to the Owners, amend, change or modify the Lease as may be required:

(a) by the provisions of the Lease or this Indenture;

(b) for the purpose of curing any ambiguity or formal defect or omission in the Lease;

(c) in order more precisely to identify the Leased Property or to add additional or substituted improvements or properties acquired in accordance with the Lease;

(d) in connection with any Supplemental Indenture permitted by this Article;

(e) to effect any substitution and/or release of the Leased Property pursuant to Section 8.03 of the Lease; or

(f) to effect any other changes in the Lease or any project document which do not materially adversely affect the rights of the Owners.

Section 9.05. Amendments, etc., of the Lease Requiring Consent of Owners. Except for the amendments, changes or modifications permitted by Section 9.04 hereof, neither the Corporation nor the Trustee shall consent to any other amendment, change or modification of the Lease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding given and procured as provided in Section 9.02 hereof. If at any time the Corporation shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Trustee shall, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 9.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Owners.

Section 9.06. Notices to Rating Agencies.

(a) All notices, certificates, or other communications given to the Owners hereunder shall also be given to any rating agency then rating the Certificates and copies of any modification or amendment to this Indenture or the Lease shall be sent to such rating agency or agencies.

(b) Initially, the rating agencies for the Certificates shall include Moody's and S&P. So long as Moody's and S&P shall continue to rate the Certificates, notices shall be given to Moody's and S&P as set forth in Section 10.08 hereof.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture.

(a) If, when the Certificates secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Indenture, the whole amount of the principal of and interest due and payable upon all of the Certificates shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Corporation to the Trustee and the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall transfer and convey to (or to the order of) the Corporation all property assigned, pledged or mortgaged to the Trustee by the Corporation then held by the Trustee pursuant to this Indenture, and the Trustee shall execute such documents as may be reasonably required by the Corporation and shall turn over to (or to the order of) the Corporation any surplus in any fund, account or subaccount created under this Indenture, except any escrow accounts theretofore established pursuant to this Section.

(b) All or any portion of the Outstanding Certificates shall prior to the maturity or redemption date thereof be deemed to have been paid ("defeased") within the meaning and with the effect expressed in this Section if (i) in case said Certificates are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to give notice of redemption of such Certificates on said redemption date, such notice to be given on a date and otherwise in accordance with the provisions of Section 4.05 hereof; (ii) there shall have been deposited in trust either moneys in an amount which shall be sufficient, or Defeasance Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Certificates on and prior to the redemption date or maturity date thereof, as the case may be; and (iii) a certified public accountant shall have delivered a verification report, verifying the sufficiency of the deposit described in clause (ii) above. Neither the Defeasance Securities nor moneys deposited in trust pursuant to this Section or principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Certificates; provided any cash received from such principal or interest payments on such Defeasance Securities deposited in trust, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (ii) of this subsection maturing at the times and in amounts sufficient to pay when due the principal of and interest to become due on said Certificates on or prior to such redemption date or maturity date thereof, as the case may be. At such time as any Certificates shall be deemed paid as aforesaid, such Certificates shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

(c) Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Certificates pursuant to this Section becoming effective, there shall have been delivered to the Corporation and the Trustee (i) a report of an independent firm of nationally recognized certified public accountants, and addressed to the City, the Corporation, and the Trustee, verifying the sufficiency of the escrow established to pay such Certificates in full on the maturity or redemption date; (ii) an escrow agreement; (iii) any forward purchase agreement to be used in the escrow; and (iv) an opinion of Bond Counsel, addressed to the Corporation, and the Trustee, to the effect that the Certificates are no longer Outstanding, all requirements of the Indenture for such defeasance have been complied with and that such discharge or defeasance will not constitute a violation by the Corporation of its tax covenant in Section 6.03 hereof. Certificates shall be deemed Outstanding under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(d) In the event that there is a defeasance of only part of the Certificates of any maturity, the Trustee shall, if requested by the Corporation, institute a system to preserve the identity of the individual Certificates or portions thereof so defeased,

regardless of changes in Certificate numbers attributable to transfers and exchanges of Certificates.

Section 10.02. Further Assurances and Corrective Instruments. The Corporation and the Trustee agree that so long as this Indenture is in full force and effect, the Corporation and the Trustee shall have full power to carry out the acts and agreements provided herein and they will from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of this Indenture.

Section 10.03. Financial Obligations of Corporation Limited to Trust Estate. Notwithstanding any other provision hereof, all financial obligations of the Corporation under this Indenture are limited to the Trust Estate.

Section 10.04. Evidence of Signature of Owners and Ownership of Certificates.

(a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in Person or by their attorneys appointed in writing, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and

(ii) The fact of the ownership by any Person of Certificates and the amounts and numbers of such Certificates, and the date of the ownership of the same, may be proved by the registration records of the Trustee.

(b) Any request or consent of the Owner of any Certificate shall bind all transferees of such Certificate in respect of anything done or suffered to be done by the Corporation or the Trustee in accordance therewith.

Section 10.05. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Corporation, the City, the Trustee and the Owners of the Certificates, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Corporation or the Trustee shall be for the sole and exclusive benefit of the Corporation, the City, the Trustee and the Owners, and their respective successors and assigns.

Section 10.06. Corporation and Trustee Representatives. Whenever under the provisions hereof the approval of the Corporation or the Trustee is required, or the Corporation or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Corporation by the Corporation Representative and for the Trustee by the Trustee Representative, and the Corporation, the Trustee and the City shall be authorized to act on any such approval or request.

Section 10.07. Titles, Headings, Etc. The titles and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 10.08. Manner of Giving Notices. All notices, certificates or other communications hereunder shall be in writing and shall be deemed sufficiently given when mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the City:	City of Boulder Municipal Building 1777 Broadway Boulder, CO 80302 Attn: Chief Financial Officer
With a copy to:	City Attorney Municipal Building 1777 Broadway Boulder, CO 80302
if to the Corporation:	The Boulder Municipal Property Authority Municipal Building 1777 Broadway Boulder, CO 80302 Attn: President
With a copy to:	City Attorney Municipal Building 1777 Broadway Boulder, CO 80302
if to the Trustee:	U.S. Bank National Association 950 17th Street, 12th Floor Denver, CO 80202 Attention: Corporate Trust Services
if to Moody's:	Moody's Investors Service Attention: [_____]
and if to S&P:	Standard & Poor's Ratings Services, Attention: [_____]

The entities listed above may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.09. No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the Corporation or the Trustee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the Corporation or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Corporation or the Trustee or any natural Person executing this Indenture or any related document or instrument.

Section 10.10. Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right under this Indenture is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 10.11. Severability. In the event that any provision of this Indenture, other than the obligation of the Corporation to deliver the Trust Estate to the Trustee, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.12. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 10.13. Applicable Law. The laws of the State shall be applied in the interpretation, execution and enforcement of this Indenture and exclusive venue for any litigation concerning this Indenture shall lie only in Boulder County, Colorado.

Section 10.14. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page to Mortgage and Indenture of Trust follows]

IN WITNESS WHEREOF, the Corporation and the Trustee have executed this Indenture as of the date first above written.

THE BOULDER MUNICIPAL PROPERTY AUTHORITY

[SEAL]

By _____
President

Attest:

By _____
Secretary-Treasurer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Signatory

[Signature Page to Mortgage and Indenture of Trust]

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this ___ day of November, 2015, by _____ and _____ as President and Secretary-Treasurer of The Boulder Municipal Property Authority, a nonprofit corporation in good standing and organized under the laws of the State of Colorado.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary

My commission expires:

_____

[Notarization Page 1 to Mortgage and Indenture of Trust]

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ___ day of November, 2015 by _____ as _____ of U.S. Bank National Association, a national banking association.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary

My commission expires:

_____

[Notarization Page 2 to Mortgage and Indenture of Trust]

APPENDIX A

FORM OF CERTIFICATE

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATE OF PARTICIPATION
Series 2015
Evidencing Assignment Of A
Proportionate Undivided Interest In The
Right To Receive Certain Revenues Payable By The
CITY OF BOULDER, COLORADO
Under A Lease Purchase Agreement Dated As Of November 1, 2015

No. R-__ $_____

Interest Rate:	Maturity Date:	Original Issue Date:	CUSIP:
____%	November 1, _____	November __ 2015	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____

THIS CERTIFIES THAT THE REGISTERED OWNER (named above), or registered assigns, has a proportionate undivided interest in rights to receive certain revenues, as described below, pursuant to an annually renewable Lease Purchase Agreement dated as of November 1, 2015 (which Agreement as from time to time amended is referred to herein as the "Lease"), between The Boulder Municipal Property Authority, a Colorado nonprofit corporation, as lessor (the "Corporation") and the City of Boulder, Colorado, as lessee (the "City") thereunder. The interest of the Registered Owner of this Certificate Of Participation, Series 2015 (this "Certificate") is secured as provided in the Lease and in the Mortgage and Indenture of Trust dated as of November 1, 2015 (which Indenture as from time to time amended is herein referred to as the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee, or its successor (the "Trustee") for the Registered Owners of the Certificates (the "Certificate Owners"), whereby the rights (with certain exceptions) of the Corporation under the Lease have been assigned by the Corporation to the Trustee for the benefit of the Certificate Owners. Under the Indenture, the Corporation has also granted to the Trustee, for the benefit of the Certificate Owners, a mortgage on the Leased Property (as defined in the Lease). Pursuant to the Lease and the Indenture, the Registered Owner hereof is entitled to receive, solely out of and to the extent available from the sources hereinafter identified, on the Maturity Date (stated above) (or earlier as hereinafter provided), the Principal Sum (stated above), and interest thereon as described in the Indenture at the Interest Rate (stated above) and payable semiannually on May 1 and November 1 of each year, commencing May 1, 2016. Principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender of this Certificate

at the principal corporate trust office of the Trustee; and interest on this Certificate is payable to the Registered Owner hereof by check or draft of the Trustee to be mailed to such Registered Owner, on or before each interest payment date (or, if such interest payment date is not a Business Day, as defined in the Indenture, on or before the next succeeding Business Day), at the address of such Registered Owner as it last appears in the registration books kept by the Trustee; provided, however, the Trustee may make payments of interest on this Certificate by wire transfer to the extent permitted in the Indenture.

This Certificate is one of a series of Taxable Certificates of Participation, Series 2015 evidencing assignments of proportionate undivided interests in rights to receive certain revenues, as described below, pursuant to the Lease and the Indenture, executed and delivered in an aggregate principal amount of $[_____] pursuant to the Indenture for the purposes of (a) acquiring the Leased Property and (b) funding the Costs of Issuance Fund in order to pay the Costs of Issuance with respect thereto. The Leased Property has been leased by the Corporation to the City pursuant to the Lease. Under the Lease, the City has agreed to pay directly to the Trustee annual rental payments (the "Base Rentals") in consideration for its right to use the Leased Property, the proceeds of which are required by the Indenture to be distributed by the Trustee to the payment of the principal of and interest on the Certificates. In addition to the Base Rentals, the City has agreed, subject to annual appropriation, to make certain other payments (the "Additional Rentals") sufficient to pay the fees and expenses of the Trustee, certain insurance premiums, taxes, utility charges, costs of maintenance and repair and other expenses expressly required to be paid by the City under the Lease.

The Lease is subject to annual renewal at the option of the City. The obligation of the City to pay Base Rentals and Additional Rentals under the Lease will terminate in the event that the City, for any reason, fails to budget and appropriate, specifically with respect to the Lease, moneys to pay all Base Rentals and reasonably estimated Additional Rentals during the next occurring renewal term of the Lease and fails to renew the Lease. In the event that the Lease Term (as defined in the Lease) is terminated or not renewed by the City and amounts are not appropriated therefor (herein referred to as an "Event of Nonappropriation and Nonrenewal") or is terminated by reason of an Event of Default (as defined in the Lease), the principal amount of this Certificate and interest thereon will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the Trustee from the leasing of or a liquidation of the Leased Property. Under certain circumstances, this Certificate and the interest thereon may also be payable from the Net Proceeds (as defined in the Lease) of title or casualty insurance policies or condemnation awards. The Lease Term may also be terminated in the event that the City shall exercise its option to purchase the Leased Property by making payment of the Purchase Option Price (as defined in the Lease). In the event that the City shall pay the Purchase Option Price, the proceeds thereof are required to be used to pay the principal of and interest on the Certificates.

Reference is hereby made to the Lease and the Indenture for a description of the rights, duties and obligations of the City, the Corporation, the Trustee and the Certificate Owners, the terms upon which the Certificates are secured, the terms and conditions upon which the Certificates will be deemed to be paid at or prior to maturity or redemption of the Certificates upon the making of provision for the full or partial payment thereof, and the rights of the

Certificate Owners upon the occurrence of an Event of Default or an Event of Nonappropriation and Nonrenewal.

NO PROVISION OF THE CERTIFICATES, THE INDENTURE OR THE LEASE, SHALL BE CONSTRUED OR INTERPRETED (A) TO DIRECTLY OR INDIRECTLY OBLIGATE THE CITY TO MAKE ANY PAYMENT IN ANY FISCAL YEAR (DEFINED HEREIN) IN EXCESS OF AMOUNTS APPROPRIATED FOR SUCH FISCAL YEAR OR FOR ANY FISCAL YEAR FOR WHICH THE CITY HAS NOT RENEWED THE LEASE; (B) AS CREATING A DEBT OR MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE CITY WITHIN THE MEANING OF ARTICLE XI, SECTION 6 OR ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE CHARTER OR ANY OTHER CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION; OR (C) AS A LOAN OR PLEDGE OF THE CREDIT OR FAITH OF THE CITY OR AS CREATING ANY RESPONSIBILITY BY THE CITY FOR ANY DEBT OR LIABILITY OF ANY PERSON, COMPANY OR CORPORATION WITHIN THE MEANING OF ARTICLE XI, SECTION 1 OF THE COLORADO CONSTITUTION. NEITHER THE LEASE, THE INDENTURE NOR THE CERTIFICATES HAVE DIRECTLY OR INDIRECTLY OBLIGATED THE CITY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED FOR ANY FISCAL YEAR IN WHICH THE LEASE SHALL BE IN EFFECT. EXCEPT TO THE EXTENT PAYABLE FROM THE PROCEEDS OF THE SALE OF THE CERTIFICATES AND INCOME FROM THE INVESTMENT THEREOF, FROM NET PROCEEDS OF CONDEMNATION AWARDS, FROM NET PROCEEDS OF THE LEASING OF OR A LIQUIDATION OF THE LEASED PROPERTY OR FROM OTHER AMOUNTS MADE AVAILABLE UNDER THE INDENTURE, THE CERTIFICATES WILL BE PAYABLE DURING THE LEASE TERM SOLELY FROM BASE RENTALS TO BE PAID BY THE CITY UNDER THE LEASE. ALL PAYMENT OBLIGATIONS OF THE CITY UNDER THE LEASE, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION OF THE CITY TO PAY BASE RENTALS, ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE CITY IN ANY FISCAL YEAR BEYOND A FISCAL YEAR IN WHICH THE LEASE SHALL BE IN EFFECT. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AT THE OPTION OF THE CITY AND WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION AND NONRENEWAL OR AN EVENT OF DEFAULT. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE, AND THE CERTIFICATES AND THE INTEREST THEREON WILL BE PAYABLE FROM CERTAIN MONEYS, IF ANY, HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ANY MONEYS MADE AVAILABLE BY ACTION OF THE TRUSTEE REGARDING THE LEASED PROPERTY. THE CORPORATION HAS NO OBLIGATION TO MAKE ANY PAYMENTS ON THE CERTIFICATES. NEITHER THE CERTIFICATES, THE LEASE NOR THE INDENTURE SHALL GIVE RISE TO A PECUNIARY LIABILITY OF THE CORPORATION.

The Certificates are executed and delivered solely as fully registered Certificates in denominations of $5,000 and any integral multiple thereof.

This Certificate is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing on the registration books kept at the principal corporate trust

office of the Trustee upon surrender of this Certificate together with a duly executed written instrument of transfer satisfactory to the Trustee. Upon such transfer, a new fully registered Certificate or Certificates and of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, will be executed and delivered to the transferee in exchange herefor, all upon payment of the charges and subject to the terms and conditions set forth in the Indenture. The Trustee may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof, whether or not this Certificate shall be overdue, for the purpose of receiving payment and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

The Certificates shall be called for redemption in whole, at a redemption price determined as described in this paragraph on any date, in the event of the occurrence of an Event of Nonappropriation and Nonrenewal under the Lease or the occurrence and continuation of an Event of Default under the Lease. The redemption price for any redemption pursuant to this paragraph shall be the lesser of (a) the principal amount of the Certificates, plus accrued interest to the redemption date (without any premium); or (b) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Lease and the Indenture with respect to an Event of Nonappropriation and Nonrenewal or the occurrence and continuation of an Event of Default that gave rise to such redemption; and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Certificates as and to the extent provided in the Indenture, which amounts shall be allocated among the Certificates in proportion to the principal amount of each Certificate. Notwithstanding any other provision of the Indenture, the payment of the redemption price of any Certificate pursuant to this paragraph shall be deemed to be the payment in full of such Certificate and no Certificate Owner of any Certificate redeemed pursuant to this paragraph shall have any right to any payment from the Corporation, the Trustee or the City in excess of such redemption price.

The Certificates maturing on or after November 1, ____ shall be called for redemption, in whole, at a redemption price equal to the principal amount of the Certificates, plus accrued interest, on any date on and after November 1, [____], in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to purchase in full the Leased Property as provided in the Lease, upon payment of the then applicable Purchase Option Price.

The Certificates maturing on or prior to November 1, 20___ shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after November 1, 20___ shall be subject to redemption prior to their respective maturity dates at the option and direction of the City, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturities as the City shall determine and by lot within a maturity, on November 1, 20___ on and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date and without a premium.

The Certificates maturing on November 1, ___ and November 1, 2036 are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date as set forth in the Indenture.

The Trustee may waive an Event of Nonappropriation and Nonrenewal or an Event of Default under certain circumstances as provided in the Lease and the Indenture.

The Indenture permits amendments thereto and to the Lease, upon the agreement of the Corporation and the Trustee and compliance with the other requirements of the Indenture, including but not limited to, in certain cases the Certificate Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding, or, for certain amendments, the Certificate Owners of 100% in aggregate principal amount of the Certificates at the time Outstanding. The Indenture also contains provisions permitting amendments to the Indenture and the Lease without the consent of the Certificate Owners of the Certificates for certain purposes. The Indenture requires the written consent of the Trustee to any amendment of the Indenture or the Lease which modifies the rights, duties or immunities of the Trustee.

THE INDENTURE CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS CERTIFICATE AND THE TRUSTEE. THIS CERTIFICATE IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE INDENTURE, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS CERTIFICATE.

Any consent or request by the Registered Owner of this Certificate shall be conclusive and binding upon such owner and upon all future registered owners of this Certificate and of any Certificate issued upon the transfer of this Certificate whether or not notation of such consent or request is made upon this Certificate.

This Certificate is issued with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Lease, until executed on behalf of the Trustee.

IN WITNESS WHEREOF, this Certificate has been executed with the manual signature of an authorized signatory of the Trustee, all as of the date set forth below.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Signatory

Execution Date: _____

[END OF FORM OF CERTIFICATE]

APPENDIX B

DESCRIPTION OF THE LEASED PROPERTY

Public Safety Building:

East Boulder Community Center:

A tract of land located in the NW1/4 of the SW1/4 of Section 3, T1S, R70W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of the SE1/4 of the SE1/4 of Section 4, T1S, R70W of the 6th P.M., thence N00°10’19"E, 2376.80 feet along the West line of the E1/2 of the SE1/4 of said Section 4 to the Southwest Corner of that tract of land as described in Deed recorded in Book 866 at Page 192 of the records of Boulder County, Colorado; thence S86°45’49"E, 1581.54 feet to the TRUE POINT OF BEGINNING;

Thence N00°45’00"W, 316.15 feet; thence N89°40’00"E, 713.57 feet; thence S01°32’00"W, 119.00 feet; thence S17°20’00"W, 103.00 feet; thence S10°30’00"E, 157.00 feet; thence S01°55’00"E, 92.00 feet; thence N87°29’00"W, 20.00 feet; thence N59°45’00"W, 84.00 feet; thence S63°22’00"W, 330.00 feet; thence N44°53’00"W, 330.00 feet; thence N80°41’00"W, 88.00 feet to the TRUE POINT OF BEGINNING.

Area = 7.243 acres (315,509 square feet), more or less.

Park Central Building:

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2015

NEW ISSUE **RATINGS: S&P "____"**
BOOK-ENTRY ONLY **Moody's "____"**

In the opinion of Kutak Rock LLP, Special Counsel, the portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the owners of the Certificates, is included in gross income for federal and State of Colorado income tax purposes. See "TAX MATTERS."

$_____*

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015

Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of November 1, 2015, between THE BOULDER MUNICIPAL PROPERTY AUTHORITY, as lessor, and THE CITY OF BOULDER, COLORADO, as lessee

Dated: Date of Delivery **Due: November 1, as shown herein**

The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "Certificates") evidence a proportionate interest in the base rentals and other revenues under a Lease Purchase Agreement dated as of November 1, 2015 (the "Lease"), entered into between The Boulder Municipal Property Authority, as lessor (the "Corporation"), and the City of Boulder, Colorado, as lessee (the "City"). The Certificates are being executed and delivered pursuant to a Mortgage and Indenture of Trust dated as of November 1, 2015 (the "Indenture") between the Corporation, as grantor, and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to which the rights, title and interest of the Corporation in, to and under the Lease have been assigned to the Trustee.

The Certificates are issued as fully registered certificates in denominations of $5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See "THE CERTIFICATES--Book-Entry Only System." The Certificates bear interest at the rates set forth herein, payable on May 1 and November 1 of each year, commencing on May 1, 2016, to and including the maturity dates shown herein (unless the Certificates are redeemed earlier), payable to the registered owner of the Certificates, initially Cede & Co. The principal of the Certificates will be payable upon presentation and surrender at the Trustee. See "THE CERTIFICATES."

The Certificates are subject to redemption prior to maturity at the option of the City and also are subject to mandatory sinking fund redemption as described in "THE CERTIFICATES--Redemption Provisions." The Certificates are also subject to mandatory redemption upon the occurrence of certain events, including an Event of Nonappropriation or an

---

* Subject to change.

Event of Default under the Lease, as described in "THE CERTIFICATES--Redemption Provisions - Mandatory Redemption upon the Occurrence of Certain Events."

The proceeds from the issuance of the Certificates will be used to: (i) finance the cost of acquiring certain property from the Boulder Community Health Broadway campus; and (ii) pay the costs of issuing the Certificates. See "SOURCES AND USES OF FUNDS."

Neither the Lease nor the Certificates constitute a general obligation, a multiple fiscal year direct or indirect debt or other financial obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation. None of the Lease, the Indenture or the Certificates directly or indirectly obligates the City to make any payments beyond those appropriated for any fiscal year in which the Lease may be in effect. Except to the extent payable from the proceeds of the Certificates and income from the investment thereof, from the net proceeds of any performance or payment bond, net proceeds of insurance (including self-insurance), net proceeds of condemnation awards, or from net proceeds from exercising certain remedies under the Lease or from other amounts made available under the Indenture, the Certificates are payable during the lease term solely from Base Rentals payable to the Trustee under the Lease and the income from certain investments under the Indenture. All payment obligations of the City under the Lease are from year to year only. The Lease is subject to annual renewal by the City. Upon termination of the Lease, the Certificates will be payable solely from moneys, if any, held by the Trustee under the Indenture and any amounts resulting from the exercise of various remedies by the Trustee under the Lease and the Indenture, all as more fully described herein.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision and should give particular attention to the section entitled "CERTAIN RISK FACTORS."

[PIPER LOGO]

The Certificates are offered when, as, and if issued by the City and accepted by the Underwriter subject to the approval of legality of the Certificates by Kutak Rock LLP, Denver, Colorado, Special Counsel, and the satisfaction of certain other conditions. Butler Snow LLP, Denver, Colorado, has acted as special counsel to the City in connection with the Official Statement. Certain legal matters will be passed upon for the City by the City Attorney. Piper Jaffray & Co., Denver, Colorado, is acting as financial advisor to the City. It is expected that the Certificates will be available for delivery through the facilities of DTC, on or about _____, 2015.*

This Official Statement is dated _____, 2015

_____

$_____*

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of November 1, 2015, between THE BOULDER MUNICIPAL PROPERTY AUTHORITY, as lessor, and THE CITY OF BOULDER, COLORADO, as lessee

MATURITY SCHEDULE*
(CUSIP© 6-DIGIT ISSUER NUMBER: _____)

Maturing (November 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP© Issue Number	Maturing (November 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP© Issue Number
2016					2027				
2017					2028				
2018					2029				
2019					2030				
2020					2031				
2021					2032				
2022					2033				
2023					2034				
2024					2035				
2025					2036				
2026					2037				

* Subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Certificates in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter. The City maintains an internet website; however, the information presented there is not to be relied upon in making an investment decision with respect to the Certificates.

The information set forth in this Official Statement has been obtained from the City, from the sources referenced throughout this Official Statement and from other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information received from parties other than the City. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

In accordance with their responsibilities under federal securities laws, the Underwriter has reviewed the information in this Official Statement but does not guarantee its accuracy or completeness.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Certificates have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE CERTIFICATES ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE CERTIFICATES, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CITY OF BOULDER, COLORADO

CITY COUNCIL
Matthew Appelbaum, Mayor
Suzanne Jones, Mayor Pro Tem
Lisa Morzel, Council member
Macon Cowles, Council member
George Karakehian, Council member
Tim Plass, Council member
Andrew Shoemaker, Council member
Sam Weaver, Council member
Mary Young, Council member

CITY OFFICIALS
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Bob Eichem, Chief Financial Officer

SPECIAL COUNSEL
Kutak Rock LLP
Denver, Colorado

SPECIAL DISCLOSURE COUNSEL
Butler Snow LLP
Denver, Colorado

TRUSTEE, REGISTRAR AND PAYING AGENT
U.S. Bank National Association

FINANCIAL ADVISOR
Piper Jaffray & Co.
Denver, Colorado

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OFFICIAL STATEMENT

$_____*

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of November 1, 2015, between THE BOULDER MUNICIPAL PROPERTY AUTHORITY, as lessor, and THE CITY OF BOULDER, COLORADO, as lessee

INTRODUCTION

General

This Official Statement, including the cover page, inside cover page and appendices, is furnished in connection with the execution, delivery and sale of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015, in the aggregate principal amount of $_____* (the "Certificates"), each evidencing proportionate interests in the base rentals and other revenues under an annually renewable Lease Purchase Agreement dated as of November 1, 2015 (the "Lease"), entered into between The Boulder Municipal Property Authority, as lessor (the "Corporation"), and the City of Boulder, Colorado, as lessee (the "City"). The Certificates are being executed and delivered pursuant to a Mortgage and Indenture of Trust dated as of November 1, 2015 (the "Indenture") between the Corporation, as grantor, and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to which the rights, title and interest of the Corporation in, to and under the Lease have been assigned to the Trustee.. Certain of the capitalized terms used herein and not otherwise defined are defined in Appendix B to this Official Statement, which contains the forms of the Lease and the Indenture.

The offering of the Certificates is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Certificates. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein, particularly the section entitled "CERTAIN RISK FACTORS." Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page, inside cover page and appendices, is unauthorized.

The City

The City is a municipal corporation duly organized and existing under the laws of the State of Colorado. In particular, the City is a home rule city and adopted a charter pursuant to Article XX of the Colorado Constitution by vote of the electorate on October 30, 1917 (the "City Charter"). The City is located in north central Colorado, approximately 25 miles northwest of Denver. The City is situated at the base of the foothills of the Front Range of the Rocky Mountains at an altitude of 5,354 feet. The City encompasses 25 square miles, and is the county seat of Boulder County (the "County"). As of 2013, the population of the City was estimated to be approximately 104,000 persons. See "THE CITY."

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* Subject to change.

The Corporation

The Corporation was formed in 1988 as a Colorado nonprofit corporation to facilitate City financings, including but not limited to, the acquisition of real estate, property and improvements for lease to the City. In the Indenture, the Corporation assigns its rights and interests under the Lease to the Trustee for the benefit of the registered owners of the Certificates (the "Owners"). The Corporation is not financially liable for, and will not make, any Lease payments; accordingly, neither the Owners nor the Beneficial Owners (defined in Appendix C - Book-Entry Only System) will have the right to look to the Corporation for any payment of the Certificates, the interest thereon, or for any other payments. See "THE CORPORATION."

Purpose

The proceeds from the issuance of the Certificates will be used to: (i) finance the cost of acquiring certain property from the Boulder Community Health Broadway campus (the "Project"); and (ii) pay the costs of issuing the Certificates. See "SOURCES AND USES OF FUNDS."

The Certificates; Prior Redemption

The Certificates are issued solely as fully registered certificates in the denomination of $5,000, or any integral multiple thereof. The Certificates are dated as of their date of delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the Certificates is described in "THE CERTIFICATES--Payment Provisions." The Certificates initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), the securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See "THE CERTIFICATES--Book-Entry Only System."

The Certificates of each series are subject to redemption prior to maturity at the option of the City and also are subject to mandatory sinking fund redemption as described in "THE CERTIFICATES--Redemption Provisions."

The Certificates are also subject to mandatory redemption upon the occurrence of certain events, including an Event of Nonappropriation or an Event of Lease Default, as described in "THE CERTIFICATES--Redemption Provisions - Mandatory Redemption upon the Occurrence of Certain Events."

Security for the Certificates; Termination of Lease

General. The Certificates and the interest thereon are payable solely from certain revenues (the "Lease Revenues") received under the Lease, which include: (a) all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the Lease including, but not limited to, all Base Rentals, the Purchase Option Price and Net Proceeds, all other revenues derived from the Lease, and any other moneys to which the Trustee may be entitled for the benefit of the Owners but not including Additional Rentals (all as defined in Appendix B).

At the time of execution and delivery of the Certificates, the City will sell the Leased Property (defined below) to the Corporation and the Corporation will lease the Leased Property back to the City pursuant to the terms of the Lease.

Under the Indenture, the Trustee, for the benefit of the Owners of the Certificates, is to receive Base Rentals payable by the City under the Lease. The amount and timing of the Base Rentals are designed to provide sufficient money to the Trustee to pay the principal of and interest on the Certificates when due. The Trustee is to deposit to the Debt Service Fund created under the Indenture all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the Lease, including all Base Rentals, the Purchase Option Price and Net Proceeds (but not Additional Rentals). See Appendix B – Form of Lease and Indenture.

The Leased Property. The Leased Property consists of the following City buildings and associated land: the City Public Safety Center, the East Boulder Community Center, and the Park Central Building. Each of these properties is described in more detail in "SECURITY FOR THE CERTIFICATES--Leased Property."

Sources of Payment of Base Rentals. Payment of Base Rentals and Additional Rentals by the City constitute currently appropriated expenditures of the City and may be paid from any legally available funds of the City, and no City revenues are specifically pledged to such payments. See "CITY FINANCIAL INFORMATION."

Neither the Lease nor the Certificates constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or statutory debt limitation. Neither the Certificates nor the Lease will directly or indirectly obligate the City to make any payments other than those which may be appropriated by the City for each fiscal year.

Neither the Trustee nor the Corporation has any obligation to and will not make any payments on the Certificates pursuant to the Lease or otherwise.

Termination of Lease; Annual Appropriation. The Lease constitutes a one-year lease of the Leased Property which is annually renewable for additional one-year terms as described in the Lease. The City must take action annually in order to renew the Lease term for another year. If the City fails to take such action, the Lease automatically will be terminated. The City's decision to terminate its obligations under the Lease will be determined by the failure of the City Council of the City (the "Council") to appropriate sufficient amounts authorized and directed to be used to pay all Base Rentals scheduled to be paid and all Additional Rentals estimated to be payable in the next ensuing Fiscal Year. The officer of the City who is responsible for formulating budget proposals is directed under the Lease to include in the annual budget proposal submitted to the City Council, in any year in which the Lease is in effect, items for all payments required under the Lease for the ensuing Renewal Term until such time, if any, as the City may determine to not renew and terminate the Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the City that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the City Council, in its sole discretion, and not by any other department, agency or official of the City, as further provided in the Lease.

As described above, the City may determine to continue or to terminate its obligations under the Lease on an annual basis. However, any decision by the City must be

made as to all of the Leased Property then subject to the Lease. Accordingly, should the City decide not to appropriate funds in any year, the City will relinquish its rights to all of the Leased Property then subject to the Lease.

If on or before the December 31 prior to the beginning of any Fiscal Year of the City, the City fails to budget and appropriate sufficient funds to pay all Base Rentals and all reasonably estimated Additional Rentals, the City will be considered to have terminated the Lease (subject to certain waiver and cure provisions). Upon termination of the City's obligations under the Lease, the Trustee may proceed to exercise certain remedies under the Lease and the Indenture, including the leasing of the Leased Property or the sale, liquidation or disposal of the Leased Property, or take one or any combination of the steps described in the Lease. See Appendix B – Form of Lease and Indenture. The net proceeds of any such disposition are required to be applied by the Trustee toward the payment of the Certificates.

Release of Leased Property. The City has the option to purchase the Trustee's interest in the Leased Property and terminate the Lease by paying the Purchase Option Price, which is equal to the amount necessary to pay all principal and interest due on all Outstanding Certificates and any other amounts necessary to defease and discharge the Indenture, as provided in the Lease. See Appendix B – Form of Lease and Indenture. The Trustee is required to use the Purchase Option Price to pay the principal, interest, and any premium on the Certificates. See "THE CERTIFICATES--Redemption Provisions."

Partial Release or Substitution of Leased Property. In addition, certain of the Leased Property may be conveyed back to the City prior to the final payment of the Certificates. When the principal component of Base Rentals paid by the City, plus the principal amount of any Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or deemed to be paid pursuant to the Indenture, equals the amounts set forth in the table below, the cost of the corresponding portion of the Leased Property (or of any property substituted for such portion of the Leased Property pursuant to any provision of the Lease) shall be deemed to have been fully amortized and the Trustee shall execute and deliver to the City all documents necessary to release such portion of the Leased Property from the provisions of the Lease, provided, however, that the fair value of the remaining Leased Property must be at least equal to 100% of the aggregate principal amount of the Certificates then Outstanding, as certified to by the City.

Property to be Released	Aggregate Amount of Certificates Paid Prior to Release	Total Principal Amount of Certificates Remaining
Park Central Building East Boulder Community Center Public Safety Center	Full redemption price of all Certificates	$ ---

After such release and conveyance, the property so released and conveyed shall no longer be a part of the Leased Property for any purpose of the Lease or the Indenture. Also see Appendix B – Form of Lease and Indenture.

Substitution of Leased Property. The Trustee shall release any portion of the Leased Property, and shall execute all documents necessary or appropriate to reconvey such portion of the Leased Property to the City, free of all restrictions and encumbrances imposed or created by the Lease or the Indenture, upon receipt by the Trustee of the following: (a) a written

request of the City Representative for such reconveyance, describing the portion of the Leased Property to be reconveyed; (b) a certificate of the City Representative certifying (i) the fair market value of the portion of the Leased Property to be reconveyed and of any real property to be substituted for the portion of the Leased Property to be released; (ii) the disposition to be made of the portion of the Leased Property to be reconveyed and the consideration, if any, to be received therefor; (iii) that the disposition of the portion of the Leased Property to be reconveyed and the substitution therefor of the real property to be substituted for the portion of the Leased Property to be released (if any) will not materially adversely affect the ability of the City to operate the Leased Property or to fulfill its obligations under this Lease; (iv) that any real property to be substituted for the portion of the Leased Property to be reconveyed is necessary or useful to the operation of the Leased Property; and (v) that the fair market value of any real property to be substituted for the portion of the Leased Property to be reconveyed, together with cash to be paid by the City to the Trustee, if any, is at least equal to the fair market value of the portion of the Leased Property to be reconveyed; (c) appraisals of the fair market value of the portion of the Leased Property to be reconveyed and any real property to be substituted for the portion of the Leased Property to be reconveyed, respectively, by a certified general appraiser licensed as such in the State and not an employee of the City or the Corporation; and (d) supplements and amendments to the Lease and the Indenture and any other documents necessary to subject any real property to be substituted for the portion of the Leased Property to be reconveyed to the lien of the Indenture.

Professionals

Kutak Rock LLP, Denver, Colorado, has acted as Special Counsel in connection with the execution and delivery of the Certificates. Butler Snow, LLP, Denver, Colorado, has acted as special counsel to the City in connection with this Official Statement. Certain legal matters will be passed on for the City by the City Attorney. U.S. Bank National Association, will act as the Trustee, paying agent and registrar for the Certificates. The basic financial statements of the City included in this Official Statement as Appendix A have been audited by BKD LLP, Certified Public Accountants and Advisors, Denver, Colorado. See "INDEPENDENT AUDITORS." Piper Jaffray & Co., Denver, Colorado, is acting as the Financial Advisor to the City (the "Financial Advisor").

Tax Status

In the opinion of Kutak Rock LLP, Special Counsel, the portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the owners of the Certificates, is included in gross income for federal and State of Colorado income tax purposes. See "TAX MATTERS."

Continuing Disclosure Undertaking

The City will enter into a continuing disclosure undertaking (the "Disclosure Undertaking") at the time of the closing for the Certificates. The Disclosure Undertaking will be executed for the benefit of the beneficial owners of the Certificates. The Disclosure Undertaking will provide that so long as the Certificates remains outstanding, the City will provide the following information to the Municipal Securities Rulemaking Board, through the Electronic Municipal Market Access ("EMMA") system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain material events; each as specified in

the Disclosure Undertaking. The form of the Disclosure Undertaking is attached hereto as Appendix D.

The City has previously entered into several similar continuing disclosure undertakings. In certain circumstances in the past five years, the City has accidentally delayed filing updated data for tables presented in previous official statements. The City has since updated the information contained in those tables on EMMA. The City additionally notes that it did not file material event notices with respect to bond insurer downgrades or global recalibrations by rating agencies as the City does not consider those changes to be material. The City has procedures in place to assist with compliance with its continuing disclosure undertakings in the future.

Additional Information

This introduction is only a brief summary of the provisions of the Certificates, the Lease, the Indenture and the Project; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Certificates, the Lease, the Indenture and the City are included in this Official Statement. All references herein to the Certificates, the Lease, the Indenture and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change*.

Additional information and copies of the documents referred to herein are available from the City and the Financial Advisor:

City of Boulder, Colorado
Attn: Finance Department
1777 Broadway
Boulder, Colorado 80302
Telephone: (303) 441-3040

Piper Jaffray & Co.
1200 17th Street, Suite 1250
Denver, Colorado 80202
Telephone: (303) 405-0848.

CERTAIN RISK FACTORS

Investment in the Certificates involves certain risks. Each prospective investor in the Certificates is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below which could affect the payment of rentals under the Lease and could affect the market price of the Certificates to an extent that cannot be determined at this time. The factors set forth below are not intended to provide an exhaustive list of the risks associated with the purchase of the Certificates.

Nonappropriation

Prospective purchasers of the Certificates must look to the ability of the City to pay Base Rentals pursuant to the Lease; such Base Rentals will provide funds for payment of principal and interest on the Certificates. The City is not obligated to pay Base Rentals or Additional Rentals under the Lease unless funds are budgeted and appropriated for such rentals by the City each year. If, prior to December 31 of each year, the City Council does not budget and appropriate amounts sufficient to pay all Base Rentals for the next Fiscal Year, and to pay such Additional Rentals as are estimated to become due for the ensuing Fiscal Year, an "Event of

Nonappropriation" occurs. If an Event of Nonappropriation occurs, the City will not be obligated to make payment of the Base Rentals or Additional Rentals which accrue after the last day of the Initial or Renewal Term during which such Event of Nonappropriation occurs.

Various political, legal and economic factors could lead to the nonappropriation of sufficient funds to make the payments under the Lease, and prospective investors should carefully consider any factors which may influence the budgetary process. There is no assurance that the City Council will appropriate sufficient funds to renew the Lease each year and the City has no obligation to do so. In addition, the ability of the City to maintain adequate revenues for its operations and obligations in general (including obligations associated with the Lease) is dependent upon several factors outside the City's control, such as the economy, collections of Sales and Use Tax and changes in law. See "LEGAL MATTERS--Certain Constitutional Limitations," "SECURITY FOR THE CERTIFICATES," and "CITY FINANCIAL INFORMATION."

The obligation of the City to pay Base Rentals and Additional Rentals is limited to those City funds that are specifically budgeted and appropriated annually by the City Council for such purpose. The Lease directs the officer charged with the responsibility of formulating budget proposals to include, in the annual budget proposals submitted to the City Council, items for all payments required under the Lease for the ensuing Fiscal Year, until such time (if any) as the City Council determines that it will not renew the Lease. The Lease provides that it is the intention of the City Council that any decision not to renew the Lease is to be made solely by the City Council and not by any other official of the City. See Appendix B – Form of Lease and Indenture."

Effect of Termination of the Lease Term

In the event of termination of the City's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Default, the City is required to vacate and surrender the Leased Property. Whenever any Event of Default has happened and is continuing, the Trustee, acting for the Corporation, may, without any further demand or notice take one or any combination of the following remedial steps: (a) terminate the Lease Term and give notice to the City to immediately vacate the real property included in the Leased Property, in the manner provided in the Lease;(b) foreclose through the courts on or otherwise sell or lease its interest in all or any portion of the Leased Property; (c) recover from the City: (i) the portion of Base Rentals and Additional Rentals payable pursuant to the Lease; and (ii) the portion of Base Rentals and Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the City Council of the City, regardless of when the City vacates the Leased Property; (d) enforce any provision of the Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under the Lease by specific performance, writ of mandamus or other injunctive relief; and (e) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Lease, subject, however, to the limitations on the obligations of the City and the Corporation set forth in the Lease.

A potential purchaser of the Certificates should not assume that the amount of money received by the Trustee upon the exercise of its rights under the Lease and the Indenture after a termination of the Lease Term will be sufficient to pay the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon.

IF THE CERTIFICATES ARE REDEEMED SUBSEQUENT TO A TERMINATION OF THE LEASE TERM FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST THEREON, SUCH PARTIAL PAYMENT WILL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES PURSUANT TO THE INDENTURE; AND UPON SUCH A PARTIAL PAYMENT, NO OWNER OF ANY CERTIFICATE WILL HAVE ANY FURTHER CLAIMS FOR PAYMENT UPON THE TRUSTEE OR THE CITY.

No Reserve Fund; No Interest in Acquisition Property Fund

The Certificates are not secured by a reserve fund. If an Event of Default under the Lease or an Event of Nonappropriation occurs, the Trustee will not have access to reserve fund moneys in order to pay the costs associated with exercising its remedies or operating and maintaining the property prior to the exercise of its remedies (including the payment of any required property taxes) or to pay principal or interest on the Certificates.

The Indenture creates an Acquisition Property Fund to hold Certificate proceeds for the Project. Although the Acquisition Property Fund is held by the Trustee, the Owners of the Certificates do not have any interest in the moneys on deposit therein.

Existing and Additional Obligations Payable from Legally Available Revenues

The City has outstanding numerous leases and other financial agreements and may enter into others in the future. Some of those agreements are payable from legally available revenues of the City, which also are the source of payment for the Base Rentals. See "CITY FINANCIAL INFORMATION."

The City has outstanding its Taxable Pension Obligation Bonds, Series 2010, in the aggregate principal amount of $7,720,000 and its General Fund Bonds, Series 2012 in the aggregate principal amount of $42,485,000. These bonds are not general obligations of the City but are secured by all legally available funds and revenues of the City's General Fund.

Factors That Could Impact Value of Property if Lease is Terminated

General. Upon the termination of the Lease, the Trustee will have the right to use and possession of all of the Leased Property. However, a potential purchaser of the Certificates should not assume that it will be possible for the Trustee to lease the Leased Property or otherwise sell or dispose of its interest in the Leased Property, or any portion thereof, for an amount equal to the aggregate principal amount of the Certificates then outstanding, plus accrued interest thereon, or that such leasing or disposal can be accomplished in time to pay any installment of principal or interest on the Certificates when due.

Current Uses of Property; Restrictions; Valuation. The Leased Property will initially consist of the Public Safety Center, the East Boulder Community Center, and the Park Central Building, together with the property upon which they are located. In connection with the offering of the certificates, an appraiser with _____ certification who is employed by the City has performed an appraisal on each property included within the Leased Property (collectively the "Appraisals"). The Appraisals assign the Leased Property a cumulative value of $40,953,000, consisting of $17,746,000 for the East Boulder Community Center, $5,030,000 for the Park Central Building and $18,177,000 for the Public Safety Building. Copies of the

Appraisals are attached hereto as Appendix F. *The Appraisals were not performed by an independent appraiser, but instead by an employee of the City. An appraisal by an independent appraiser might assign a lower value to the Leased Property and there can be no assurance that the Trustee would be able to recover the values assigned to the Leased Property within the Appraisal upon an Event of Default or an Event of Nonappropriation. See SECURITY FOR THE CERTIFICATES--The Leased Property.*

There is no assurance that the current level of value of the Leased Property will continue in the future and there is no guarantee that the Trustee will be able to lease or otherwise sell or dispose of the Leased Property in an amount equal to the amount of the outstanding Certificates.

The Leased Property (or portions thereon) is subject to several title restrictions, including utility easements, an access easement, and [**To come with title commitment**].

The Leased Property is subject to present and future zoning requirements or other land use regulations imposed by the City. Currently, the Public Safety Center, the East Boulder Community Center, the New Britain Building and the Park Central Building are zoned as public property, which allows for public and semi-public facilities and uses. The South Boulder Recreation Center is zoned Residential Low 1, which allows for single-family detached residences at low to very low densities. Fire Station No. 1 is zoned Residential-Mixed 1, which allows for mixed use areas which are primarily intended to have a mix of residential and nonresidential land uses within close proximity to each other. The Trustee and any subsequent property owner may not be able to successfully modify the zoning of the Leased Property in a manner that would allow for more valuable use.

Two ballot initiatives have been certified for the City's November 2015 election relating to property development. One is intended to require those developing property to fully fund any additional City services that will be required as a result of new development. The other is intended to allow residents of an area to challenge certain changes in permitted use for property in that area by submitting those changes to a vote of the people living within the affected area. It is not clear what, if any, impact these initiatives might have on the Trustee's ability to liquidate the Leased Property or otherwise put the Leased Property to beneficial use on behalf of the Certificate owners. However, it is possible that these or other future City restrictions on development could limit the Trustee's ability to compensate Certificate owners in the event the City vacates the Leased Property and ceases making Base Rental payments.

Enforceability of Remedies; Liquidation Delays

Under the Lease, the Trustee has the right to take possession of and dispose of the Leased Property upon an Event of Nonappropriation or an Event of Default and a termination of the Lease. However, the enforceability of the Lease is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the City. Because of the use of certain of the Leased Property by the City for the public welfare, a court in any action brought to enforce the remedy of the Trustee to lease or dispose of the Leased Property may delay disposal of the Leased Property for an indefinite period, even though the City may have terminated the Lease or be in default thereunder. As long as the Trustee is unable to exercise its remedies with respect to the Leased Property as permitted under the Lease and the Indenture, it will be unable to redeem or

pay the Certificates except from funds otherwise available to the Trustee under the Indenture. See "SECURITY FOR THE CERTIFICATES."

Effect of Termination on Exemption from Registration

In the event of a termination of the City's obligations under the Lease, there is no assurance that Owners of the Certificates would be able to transfer their interests without compliance with federal securities laws.

Condemnation Risk

In the mid-1990s, the City of Sheridan, Colorado ("Sheridan") exercised its eminent domain powers to acquire an administration building it previously had leased under an annually terminable lease purchase agreement. Sheridan sought to use its condemnation power to acquire the property at a fraction of the remaining lease payments (which would be paid to owners of certificates of participation in Sheridan's lease). Sheridan's condemnation suit was successful; however, Sheridan was unable to pay the court-determined amount representing the value of the property and eventually vacated the building in favor of the trustee. Sheridan eventually reached a settlement with the trustee and reacquired possession of the building from the trustee. Pursuant to this settlement, certificate holders reportedly received less than half of the amounts due them under the terms of the certificates. The City considers the occurrence of a situation such as the one described above to be unlikely; however, there is no assurance that the Leased Property (or portions thereof) would not be condemned in the future.

Casualty Risk

If all, substantially all, or any portion of the Leased Property is damaged or destroyed by any casualty, there is no assurance that casualty insurance proceeds and other available monies of the City will be sufficient either to repair or replace the damaged or destroyed property or to pay all the outstanding Certificates, if the Certificates are called for mandatory redemption as a result of such casualty. See "THE CERTIFICATES--Redemption Provisions." Although the City believes its casualty insurance coverage is adequate, there is no assurance that such damage or destruction would not have a material adverse effect on the ability of the City to make use of the Leased Property. Delays in the receipt of casualty insurance proceeds pertaining to the Leased Property or delays in the repair, restoration or replacement of property damaged or destroyed also could have an adverse effect upon the ability of the City to make use of the Leased Property or upon its ability to make timely payment of rental payments under the Lease.

Insurance Risk

The Lease requires that until termination of the Lease Term, the City must provide property damage insurance for the Leased Property in an amount equal to the greater of: the principal amount of all Certificates Outstanding, or the full replacement value of the Leased Property. The City currently has a blanket property insurance policy covering its existing property; however, such policy is subject to annual renewal. There is no guarantee that the City will be able to acquire sufficient insurance at reasonable prices in the future. Pursuant to the Lease, if the City insures against similar risks by self-insurance, the City, at its election, may provide for public liability insurance in connection with the Leased Property partially or wholly by means of an adequate self-insurance fund. Such a self-insurance fund (if established) would

likely be funded annually by appropriation, and there is no assurance that such fund will at any time be adequately funded. There is no assurance that, in the event the Lease is terminated as a result of damage to or destruction or condemnation of the Leased Property, moneys made available by reason of any such occurrence will be sufficient to redeem the Certificates at a price equal to the principal amount thereof outstanding plus accrued interest to the redemption date. See "THE CERTIFICATES--Redemption Provisions."

Future Changes in Law

Various State laws and constitutional provisions apply to the imposition, collection, and expenditure of ad valorem property taxes, sales and use taxes, other revenues, and the operation of the City. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the City and the imposition, collection, and expenditure of its revenues. Such changes could include, but are not limited to, future restrictions on real estate development and growth in the City and State law changes in the items subject to sales taxes or exemptions therefrom.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of Lease Revenues available to pay Base Rentals and Additional Rentals under the Lease.

Secondary Market

No assurance can be given concerning the future existence of a secondary market for the Certificates or its maintenance by the Underwriter or others, and prospective purchasers of the Certificates should therefore be prepared to hold their Certificates to maturity.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds from the sale of the Certificates are expected to be applied in the following manner:

Sources and Uses of Funds

Sources of Funds:	Amount
Par amount of 2015 Certificates.....	
Plus: original issue premium.....	
Total	
Uses of Funds:	
The Project	
Costs of issuance (including Underwriter's discount)	
Total	

Source: The Financial Advisor.

The Project

The Project will consist of the acquisition of land and facilities at the Boulder Community Health Broadway campus located within the City. Boulder Community Health has relocated its emergency room and acute care functions to another site, and as a result the medically-related use of the property has been declining. The City is acquiring the property to ensure that future development on the site is consistent with the community's goals and vision and to provide city-owned office space for certain employees currently working out of leased space. The property includes approximately 8.8 acres and over 355,000 square feet of building space, including: (a) a hospital and associated grounds; (b) two separate medical buildings and; (c) a parking garage and related retail space. The campus is *not* part of the Leased Property under the Lease.

THE CERTIFICATES

General

The Certificates are issuable as fully registered certificates and initially will be registered in the name of "Cede & Co.," as nominee for DTC, the securities depository for the Certificates. Purchases by Beneficial Owners of the Certificates are to be made in book-entry only form. Payments to Beneficial Owners are to be made as described in "Book-Entry Only System" and Appendix C. The Certificates are dated the date of their execution and delivery, and bear interest from such date to maturity payable semiannually on May 1 and November 1 of each year, commencing May 1, 2016. The Certificates mature on the dates and in the amounts and bear interest at the rates set forth on the inside cover page of this Official Statement.

Payment Provisions

The principal of any Certificate shall be payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior redemption thereof and upon presentation and surrender at the Operations Center of the Trustee. Payment of interest on the Certificates shall be made by check or draft of the Trustee mailed, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the fifteenth day of the month (whether or not a Business Day) immediately preceding the month in which the Interest Payment Date (the "Record Date") Any such interest not so timely paid shall cease to be payable to the Person who is the Owner thereof at the close of business on the Record Date and shall be payable to the Person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than 10 days prior to the Special Record Date, by first-class mail to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Trustee may make payments of interest by wire transfer to any Person who is the Owner of in excess of $1,000,000 in aggregate principal amounts of the Certificates.

Notwithstanding the foregoing, payments of the principal of and interest on the Certificates will be made directly to DTC or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner of the Certificates. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of DTC's Participants and the Indirect Participants, as more fully described herein. See "Book-Entry Only System" below.

Redemption Provisions*

Redemption of Certificates in Whole Upon Payment of Purchase Option Price. The Certificates maturing on or after November 1, _____ shall be called for redemption, in whole, at a redemption price equal to the principal amount of the Certificates, plus accrued interest, on any date on and after November 1, _____, in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to

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* Subject to change.

purchase in full the Leased Property as provided in the Lease, upon payment of the then applicable Purchase Option Price.

Optional Redemption. The Certificates maturing on or prior to November 1, 20__ shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after November 1, 20__ shall be subject to redemption prior to their respective maturity dates at the option and direction of the City, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturity as the City shall determine and by lot within maturities, on November 1, 20__, on and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date and without a premium.

In the case of a partial redemption of Certificates pursuant to this Section, the City shall provide the Trustee with a revised Base Rentals Payment Schedule constituting a new Exhibit B to the Lease, which shall adjust the principal and interest portions of the Base Rentals to reflect the redemption of the amounts and maturities of the corresponding Certificates.

Mandatory Sinking Fund Redemption. The Certificates maturing on November 1, ___ are subject to mandatory sinking fund redemption by lot on November 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

Mandatory Redemption Date (November 1)	**Amount to be Redeemed**

[1] Maturity date.

The principal amount of Certificates to be redeemed on any date pursuant to this section shall be reduced by the principal amount of any Certificates of the same maturities that have, on or before the forty-fifth day next preceding the sinking fund redemption date, been delivered to the Trustee for cancellation or have been redeemed pursuant to optional redemption and have not previously been applied as a credit against any sinking fund obligation.

Redemption of Certificates in Whole Upon an Event of Nonappropriation and Nonrenewal or Event of Default under the Lease. The Certificates shall be called for redemption in whole, at a redemption price determined pursuant to the paragraph below, on any date, in the event of the occurrence of an Event of Nonappropriation and Nonrenewal under the Lease or the occurrence and continuation of an Event of Default under the Lease.

The redemption price for any redemption pursuant to this section shall be the lesser of (i) the principal amount of the Certificates, plus accrued interest to the redemption date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Lease and the Indenture with respect to an Event of Nonappropriation and Nonrenewal or the occurrence and continuation of an Event of Default that gave rise to such redemption; and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Certificates (including amounts then held in any other special trust fund or account), which amounts shall be allocated among the Certificates in proportion to the principal amount of each Certificate.

THE PAYMENT OF THE REDEMPTION PRICE OF ANY CERTIFICATE PURSUANT TO THIS SECTION SHALL BE DEEMED TO BE THE PAYMENT IN FULL OF SUCH CERTIFICATE AND NO OWNER OF ANY CERTIFICATE REDEEMED PURSUANT TO THIS SECTION FOR AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT OF SUCH CERTIFICATE PLUS ACCRUED INTEREST SHALL HAVE ANY RIGHT TO ANY PAYMENT FROM THE CORPORATION, THE TRUSTEE OR THE CITY IN EXCESS OF SUCH REDEMPTION PRICE.

In addition to any other notice required to be given under the Indenture, the Trustee shall, immediately upon the occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default under the Lease, notify the Owners (i) that such event has occurred and (ii) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price set forth in clause (i) above. If the funds then available to the Trustee are sufficient to pay the redemption price set forth in clause (i) above, such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price set forth in clause (i) above, the Corporation and the Trustee shall (A) immediately pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Lease and the Indenture and (B) subject to the provisions of the Indenture, immediately begin to exercise and shall diligently pursue all remedies available to them under the Lease in connection with such Event of Nonappropriation and Nonrenewal or Event of Default and under this Indenture. The remainder of the redemption price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies.

Notice of Redemption. Notice of the call for any redemption, identifying the Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States certified or registered first class mail, at least 30 days prior to the date fixed for redemption, to the Owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings of any Certificates as to which no such failure has occurred. Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Certificates called for redemption, which moneys are or will be available for redemption of Certificates, such notice shall state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Book-Entry Only System

The Certificates will be available only in book-entry form in the principal amount of $5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the Certificates. The ownership of one fully registered Certificate for each maturity in each series as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C--Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE CERTIFICATES, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OR REGISTERED OWNERS OF THE CERTIFICATES WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the City nor the Trustee will have any responsibility or obligation to DTC's Participants or Indirect Participants, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the Certificates as further described in Appendix C to this Official Statement.

BASE RENTALS SCHEDULE

The following table sets forth the schedule of Base Rentals for the Certificates.

Schedule of Base Rentals(1)(2)

Year	Principal	Interest	Total
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
Total			

(1) Totals may not add due to rounding.

(2) The Base Rentals are due semi-annually on April 25 and October 25 of each year that the Lease remains in effect. The Trustee will use the Base Rentals to pay the principal and interest due on the Certificates on May 1 and November 1 of each year.

Source: The Financial Advisor.

SECURITY FOR THE CERTIFICATES

General

Each Certificate evidences a proportionate interest in the right to receive certain designated Lease Revenues, including Base Rentals, under and as defined in the Lease and the Indenture. Under the Lease, the Leased Property has been leased by the Corporation to the City and the City has agreed to pay to the Trustee, on behalf of the Corporation, Base Rentals in consideration of the City's right to possess and use the Leased Property. Certain Lease Revenues, including Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Certificates and interest thereon.

The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the City. The issuance of the Certificates does not directly or contingently obligate the City to make any payments beyond those appropriated for the City's then current Fiscal Year. As more fully described under the caption "CERTAIN RISK FACTORS," the Lease is subject to renewal on an annual basis at the option of the City. The Lease Term and the schedule of payments of Base Rentals are designed to produce moneys sufficient to pay the Certificates and interest thereon when due (if the City elects not to terminate the Lease prior to the end of the Lease Term).

The Certificates shall not constitute a mandatory charge or requirement of the City in any ensuing Fiscal Year beyond the current Fiscal Year, and shall not constitute or give rise to a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City, within the meaning of any constitutional, home rule charter or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the City to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the City's then current Fiscal Year. Base Rentals and Additional Rentals may be paid from any lawfully available City monies appropriated for that purpose. See "CITY FINANCIAL INFORMATION."

In the event of termination of the City's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Default, the City is required to vacate and surrender the Leased Property. Whenever any Event of Default has happened and is continuing, the Trustee, acting for the Corporation, may, without any further demand or notice take one or any combination of the following remedial steps: (a) terminate the Lease Term and give notice to the City to immediately vacate the real property included in the Leased Property, in the manner provided in the Lease;(b) foreclose through the courts on or otherwise sell or lease its interest in all or any portion of the Leased Property; (c) recover from the City: (i) the portion of Base Rentals and Additional Rentals payable pursuant to the Lease; and (ii) the portion of Base Rentals and Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the City Council of the City, regardless of when the City vacates the Leased Property; (d) enforce any provision of the Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under the Lease by specific performance, writ of mandamus or other injunctive relief; and (e) take whatever action at law or in equity may appear necessary or desirable to enforce its

rights in and to the Leased Property under the Lease, subject, however, to the limitations on the obligations of the City and the Corporation set forth in the Lease.

The Leased Property

In accordance with State law, the City has determined to sell the Leased Property to the Corporation and lease the Leased Property back from the Corporation pursuant to the terms of the Lease. See "INTRODUCTION--Security for the Certificates; Termination of Lease - The Leased Property." In connection with the offering of the Certificates, an appraiser employed by the City has performed an Appraisal of each component of the Leased Property, the values set forth in the Appraisals are listed below. The Appraisals are additionally attached as Appendix F. *The appraised values below were generated by a City employee and not from an independent appraiser. There can be no assurance that the Trustee would be able to receive such values upon taking possession of the Leased Property. In the event the City defaults or does not appropriate under the Lease, the value recovered by the Trustee with respect to the Leased Property may be insufficient to pay the outstanding amount of the Certificates, and neither the City, the Trustee, or the Corporation will be liable for any deficiency in such amount.*

The Leased Property consists of the following City facilities:

Public Safety Building. The Public Safety Building is a 71,000 square foot building constructed in 1968 and renovated in 1989 located on a 4.09 acre site with 228 surface parking spaces. It serves as the primary facility for the Boulder Police Department as well as the administrative offices of the Fire Department. The building also includes training rooms, a firearms range, locker and workout rooms, a communications center, a DNA lab, an employee lounge, meeting rooms and storage space. The property is presently zoned for public use and is located within a 500 year flood plain. The internal City appraised value for the Public Safety Building is $18,177,000. See "CERTAIN RISK FACTORS--Factors That Could Impact Value of Property if Lease is Terminated."

East Boulder Community Center. The East Boulder Community Center is a 52,960 square-foot building constructed in 1991 located on a an approximately 7.25 acre site. The East Boulder Community Center is a recreation and senior citizen center containing an indoor leisure pool, lap pool, locker rooms, fitness center, aerobics and dance rooms, child care area, gymnasium, multipurpose rooms, senior citizen lounge, commercial kitchen, restrooms and office space. In addition, the land upon which the East Boulder Community Center is located is adjacent to the existing East Boulder Community Park, which presently contains a parking lot and athletic fields. Neither the East Boulder Community Park nor its facilities are part of the Leased Property. The property is presently zoned for public use and is located within a 100 year flood plain. The internal City appraised value for the East Boulder Community Center is $17,746,000. See "CERTAIN RISK FACTORS--Factors That Could Impact Value of Property if Lease is Terminated."

Park Central Building. The Park Central Building is a 20,910 square-foot building constructed in 1973 located on an approximately 0.35 acre site. The Park Central Building consists primarily of City offices, including the City's building permit office. The building presently holds 93 employees and the property includes 17 covered parking spaces. In addition, 1,307 square feet of the building is presently leased to the operator of a small restaurant. The property is presently zoned for public use and is located within a 100 year flood plain. The internal City appraised value for the Park Central Building is $5,030,000. See

"CERTAIN RISK FACTORS--Factors That Could Impact Value of Property if Lease is Terminated."

PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT

Ad Valorem Property Taxes

Subject to the limitations imposed by Article X, Section 20 of the State constitution (the Taxpayers Bill of Rights or "TABOR," described in "LEGAL MATTERS--Certain Constitutional Limitations"), the Board has the power to certify to the Commissioners a levy for collection of ad valorem taxes against all taxable property within the City.

Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the City. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the County Assessors to determine its statutory "actual" value. This amount is then multiplied by the appropriate assessment percentage to determine each property's assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The County Assessors annually conduct appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the county as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessors utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real property is reappraised by the County Assessors' office every odd numbered year. The statutory actual value is based on the "level of value" for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2014 (collection year 2015) were based on an analysis of sales and

other information for the period January 1, 2011 to June 30, 2012. The following table sets forth the State Property Appraisal System for property tax levy years 2011 through 2015.

Collection Year	Levy Year	Value Calculated As Of	Based on the Market Period
2012	2011	July 1, 2010	Jan. 1, 2009 to June 30, 2010
2013	2012	July 1, 2010	Jan. 1, 2009 to June 30, 2010
2014	2013	July 1, 2012	Jan. 1, 2011 to June 30, 2012
2015	2014	July 1, 2012	Jan. 1, 2011 to June 30, 2012
2016	2015	July 1, 2014	Jan. 1, 2013 to June 30, 2014

The County Assessors may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessors as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property. To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State constitution requires the Colorado General Assembly to adjust the assessment rate of residential property for each year in which a change in the base year level of value occurs. This adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year (although, notwithstanding the foregoing, TABOR prohibits any valuation for assessment ratio increase for a property class without prior voter approval).

Pursuant to the adjustment process described above, the residential assessment rate is adjusted every two years, resulting in the following history of residential assessment rates since levy year 1989: 15.00% of statutory actual value (levy years 1989-90); 14.34% of statutory actual value (levy years 1991-92); 12.86% of statutory actual value (levy years 1993-94); 10.36% of statutory actual value (levy years 1995-96); 9.74% of statutory actual value (levy years 1997-00); 9.15% of statutory actual value (levy years 2001-02); and 7.96% of statutory actual value (levy years 2003-14). In December 2014, the Colorado Legislative Council (the research division of the Colorado General Assembly) projected that the residential assessment rate will remain at 7.96% through levy year 2017. This projection is only an estimate, however, and is subject to change. The residential assessment rate cannot increase without the approval of Colorado voters.

Non-residential property. All non-residential taxable property, with certain specified exceptions, is assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the Boards of Equalization for the Counties. Upon the conclusion of such hearings, the County Assessors are required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the County Assessors to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the City's assessed valuation may be subject to modification following any such annual assessment study.

Homestead Property Tax Exemption. The Colorado Constitution provides property tax exemptions for qualifying senior citizens (adopted in 2000) and for disabled veterans (adopted in 2006). The senior citizen provision provides that for property tax collection years 2007 and later (except that the exemption was suspended for collection years 2009-2012), the exemption is equal to 50% of the first $200,000 of actual value of residential real property that is owner-occupied if the owner or his or her spouse is 65 years of age or older and has occupied such residence for at least 10 years. The disabled veterans provision provides that for property tax collection years 2008 and later, the same exemption is available to homeowners who have served on active duty in the U.S. Armed Forces and who are rated 100% permanently disabled by the federal government due to a service-connected disability. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions; therefore, it is not expected that this exemption will result in the loss of any property tax revenue to the City. There is no assurance, however, that the State reimbursement will be received in a time period which is sufficient to replace the reduced property tax revenue.

Taxation Procedure. The County Assessors are required to certify to the City the assessed valuation of property within the City no later than August 25th of each year. Subject to

the limitations of TABOR, based upon the valuation certified by the County Assessor, the Board computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the City's property tax, and together with other legally available City revenues, will raise the amount required by the City in its upcoming fiscal year. The City subsequently certifies to the Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a $250 tax on a parcel of property with an assessed valuation of $10,000.

The Commissioners levy the tax on all property subject to taxation by the City. By December 22nd of each year, the Commissioners must certify to the County Assessors the levy for all taxing entities within the applicable county. If the Commissioners fail to so certify, it is the duty of the County Assessors to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessors of the tax list and warrant to the County Treasurer.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2015 will be collected in 2015. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the City on a monthly basis. The payments to the City must be made by the tenth of each month, and shall include all taxes collected through the end of the preceding month. The County Treasurer also is required to make a second monthly payment to the City on or before the twenty-fourth day of the months of March, May and June, reflecting taxes collected through the twentieth day of the respective month.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the duty of the County Treasurer to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the City and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no

assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to a county and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Commissioners after that time.

Potential Overlap with Tax Increment Authorities. Colorado law allows the formation of public highway authorities. Pursuant to statute, the board of directors of a public highway authority is entitled to designate areas within the authority's boundaries as "value capture areas" to facilitate the financing, construction, operation or maintenance of highways constructed by the authority; an authority is entitled to capture a portion of the property taxes in such an area to support these purposes. No public highway authority currently exists within the City. If a public highway authority value capture area is implemented in the future, it is impossible to predict the terms of the plan, including whether it would negatively impact the City's property tax revenues.

Similarly, the State law allows the formation of urban renewal authorities and downtown development authorities in areas which have been designated by the governing bodies of municipalities as blighted areas. Certain property in the City currently is located within urban renewal areas authorized by the Boulder Urban Renewal Authority ("BURA"). Other redevelopment areas may be formed by BURA in the future. With respect to the property included in the boundaries of such districts and subject to a renewal plan, the assessed valuation of such property that is taxable does not increase beyond the amount existing in the year prior to the adoption of the plan (other than by means of the general reassessment). Any increase above the "base" amount is paid to the applicable authority. See "Ad Valorem Property Tax Data – History of City's Assessed Valuation" below.

Ad Valorem Property Tax Data

A five-year history of the City's certified assessed valuations is set forth in the following chart.

History of the City's Assessed Valuations

Levy/Collection Year	Total Assessed Value[1]	Percent Change
2010/2011	$2,566,046,123	--
2011/2012	2,498,113,532	(2.6)%
2012/2013	2,500,705,976	0.1
2013/2014	2,567,474,742	2.7
2014/2015	2,599,361,894	1.2
2015/2016[2]	3,174,811,152	22.1

(1) Does not include the assessed valuation attributable to the Boulder Urban Renewal Authority-9th and Canyon project in the following amounts for the respective levy years: $8,006,976 in 2010; $9,451,663 in 2011; $9,393,325 in 2012; $9,497,809 in 2013; and $0 in 2014 and 2015.

(2) Preliminary assessed value figure as of August 25, 2015. The final assessed value will not be certified until approximately December 1, 2015.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2010-2014; and the Boulder County Assessor's Office.

A five-year history of the City's mill levies is set forth in the following chart.

History of the City's Mill Levy

Levy/Collection Year	General Fund	Debt Service	Special Abatement	Total
2010/2011	10.818	0.000	0.000	10.818
2011/2012	8.748	0.000	3.233	11.981
2012/2013	8.748	0.000	3.233	11.981
2013/2014	8.748	0.000	3.233	11.981
2014/2015	8.748	0.000	3.233	11.981
2015/2016[1]	n/a	n/a	n/a	n/a

(1) The 2015/2016 mill levy will not be certified until approximately December 15, 2015.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2010-2014; and the Boulder County Assessor's Office.

The following chart sets forth the City's ad valorem property tax collections for the time periods indicated.

Property Tax Collections for the City

Levy/ Collection Year	Total Taxes Levied[1]	Total Current Tax Collections[2]	Collection Rate
2009/2010	$26,383,466	$26,327,080	99.79%
2010/2011	27,759,486	27,750,731	99.97
2011/2012	29,929,899	29,854,853	99.75
2012/2013	29,960,959	29,876,218	99.72
2013/2014	30,760,915	30,741,731	99.94
2014/2015[3]	31,142,955	30,705,735	--

(1) Levied amounts do not reflect abatements or other adjustments. Levied amounts do not include the assessed revenue attributable to the tax increment financing district in the following amounts for the respective levy years: $82,902 for 2009; $86,619 for 2010; $113,240 for 2011; $112,541 for 2012; and $113,793 for 2013. For years 2014 and beyond, the tax increment financing plan that generated these amounts is no longer active.
(2) The county treasurer's collection fees have not been deducted from these amounts. Figures do not include interest, fees and penalties.
(3) Figures are for January 1 through July 31, 2015.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2009-2014; and the Boulder County Treasurer's Office.

Based upon the most recent certified information available from the County Assessor's Office, the following chart represents the largest taxpayers within the City, measured by assessed value. A determination of the largest taxpayers can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessed value in excess of those set forth in the following chart. Furthermore, the taxpayers shown in the chart may own additional parcels within the City not included herein. No independent investigation has been made of and consequently there can be no representation as to the financial conditions of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City.

Largest Taxpayers in the City for 2014

Taxpayer Name	Assessed Valuation	Percentage of Total Assessed Valuation[1]
IBM Corporation	$51,218,537	1.97%
Ball Corporation[2]	29,280,211	1.13
Public Service Co. of Colorado	28,739,195	1.11
Macerich Twenty Ninth Street LLC	26,330,477	1.01
Qwest Corporation	18,552,800	0.71
Flatiron Investments LP	18,423,874	0.71
Corden Pharma Colorado Inc.	18,216,834	0.70
Covidien LP	18,202,539	0.70
Vail Lizard LLC	14,339,050	0.55
Amgen Inc.	13,499,246	0.52
TOTAL	$236,802,763	9.11%

(1) Based on a 2014 certified assessed valuation of $2,599,361,894.
(2) Ball Corporation includes Ball Aerospace and Technologies Corporation.

Source: Boulder County Assessor's Office.

The following table sets forth the current assessed valuation of specific classes of real and personal property within the City. Residential property accounts for the largest percentage of the City's assessed valuation, and therefore it is anticipated that owners of residential property will pay the largest percentage of ad valorem property taxes levied by the City.

2015 Preliminary Assessed Valuation of Classes of Property in the City (1)

Property Class	Total Assessed Valuation	Percent of Assessed Valuation
Residential	$1,543,595,768	48.62%
Commercial	1,261,340,681	39.73
Industrial	255,747,921	8.05
State Assessed	61,814,644	1.95
Vacant	52,015,877	1.64
Agricultural	296,029	0.01
Natural Resources	232	0.00
TOTAL	$3,174,811,152	100.00%

Source: Boulder County Assessor's Office.

Mill Levies Affecting Property Owners Within the City

In addition to the City's ad valorem property tax levy, owners of property located within the City are obligated to pay property taxes to other taxing entities in which their property is located. The following table is only a representative sample of the total mill levy and is not intended to portray the mills levied against all properties in the City. Additional taxing entities may overlap the City in the future.

2014 Sample Mill Levy Affecting City Property Owners

Taxing Entity(1)	Mill Levy(2)
Boulder Valley School District RE-2	47.569
Boulder County	24.794
Boulder Central General Improvement District	4.847
Northern Colorado Water Conservancy District	1.000
Urban Drainage and Flood Control District	0.632
Total Overlapping Sample Mill Levy	78.842
The City	11.981
Total Sample Mill Levy	90.823

(1) Regional Transportation District also overlaps the City, but does not assess a mill levy.
(2) One mill equals 1/10 of one cent. Mill levies certified in 2014 are for the collection of ad valorem property taxes in 2015.

Source: Boulder County Assessor's Office.

Estimated Overlapping General Obligation Debt

In addition to the general obligation indebtedness of the City, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the City. The following chart sets forth the estimated overlapping general obligation debt chargeable to property owners within the City.

Estimated Overlapping General Obligation Debt

Entity[1]	2014 Assessed Valuation[2]	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the City[3]	
			Percent	Debt
Boulder Valley School District RE-2	$4,927,017,546	$574,125,000	52.15%	$299,406,188
Northern Colorado Water Conservancy District[4]	15,066,440,282	4,310,040	17.20	741,327
Rocky Mountain Fire Protection District	352,636,755	7,830,000	0.27	21,141
St. Vrain Valley School District RE-1J	2,388,961,049	391,800,000	1.26	4,936,680
TOTAL				$305,105,336

(1) The following entities also overlap the City, but have no reported general obligation debt outstanding: Boulder County; City of Boulder Forest Glen General Improvement District-Eco Pass; Boulder Junction Access General Improvement District-Parking; Boulder Junction Access General Improvement District-Travel Demand Management; Boulder Rural Fire Protection District; Boulder Urban Renewal Authority-9th and Canyon project; Downtown Boulder Business Improvement District; Left Hand Water District; Regional Transportation District; University Hills General Improvement District; and Urban Drainage and Flood Control District.

(2) Assessed values certified in 2014 are for collection of ad valorem property taxes in 2015.

(3) The percentage of each entity's outstanding debt chargeable to the City is calculated by comparing the assessed valuation of the portion overlapping the City to the total assessed valuation of the overlapping entity. To the extent the City's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the City are responsible will also change.

(4) The Northern Colorado Water Conservancy District ("NCWCD") lies in eight counties. NCWCD's general obligation debt consists of a perpetual contract payable with the United States Bureau of Reclamation for the Horsetooth Dam Rehabilitation and Pole Hill Canal Refurbishment projects.

Sources: Assessors' Offices of Boulder, Gilpin, Larimer, Logan, Morgan, Sedgwick, Washington, and Weld Counties; Assessor's Office of the City and County of Broomfield; and individual taxing entities.

THE CORPORATION

General

The Corporation was formed as a Colorado nonprofit corporation in 1988. The Corporation was formed for the purpose of acquiring real and personal property, and leasing, selling or otherwise conveying the same to the City.

The Corporation is governed by a nine-member board of directors, which consists of the Mayor and Council of the City. The Corporation's officers include a President, a Vice President and a Secretary-Treasurer, which, pursuant to its Bylaws, shall be the Mayor, the Mayor Pro Tem, and the Chief Financial Officer of the City, respectively.

The Corporation's Limited Liability

The Corporation has entered into the Lease with the District solely to facilitate the financing of the Project. The Corporation assigns, pursuant to the Indenture, its rights and interests under the Lease to the Trustee for the benefit of the Owners. Since the Corporation is not financially liable for, and will not make, any Lease payments (including Base Rentals or Additional Rentals), the Owners will have no right to look to the Corporation, or its assets, for any payment of the Certificates, the interest thereon or for any other payments. In addition, the Corporation has no responsibility for or control over the expenditures of the proceeds of the Certificates. The Corporation's obligations with respect to the Certificates and the Project are strictly limited to those provided for in the Lease and the Indenture. Furthermore, neither the Lease nor the Indenture creates any pecuniary liability on the part of directors or officers of the Corporation.

THE CITY

Description

The City of Boulder, Colorado (the "City") is a municipal corporation duly organized and existing as a home rule city under Article XX of the Constitution of the State of Colorado (the "State") and the home rule charter of the City. The City, with an estimated 2013 population of approximately 104,000 is located in north central Colorado, approximately 25 miles northwest of Denver, Colorado. The City encompasses 25 square miles, and is the county seat of Boulder County.

Governing Body

The City operates under a council-manager form of government whereby all powers of the City are vested in an elected City Council. On November 2, 1999 voters approved an amendment to the City's Charter removing term limits for City Council members. The present members of the Council, their principal occupations, lengths of service to the Council, and terms of office are as follows:

Name, Office	Principal Occupation	Years of Service	Term Expires
Matthew Appelbaum, Mayor	Software Consultant	15	2017
Suzanne Jones, Mayor Pro Tem	Nonprofit Executive Director	3	2015
Lisa Morzel	Geologist	15	2015
Macon Cowles	Attorney	9	2015
George Karakehian	Business Owner	5	2015
Tim Plass	Attorney	3	2015
Andrew Shoemaker	Attorney	1	2017
Sam Weaver	CEO	1	2017
Mary Young	Consultant	1	2017

Administrative Personnel

The City Council consists of nine members elected for staggered four and two year terms. The presiding member of the City Council, as selected by the members thereof, is designated as Mayor.

Various individuals are responsible for implementation of the City Council's actions with respect the day-to-day operation and maintenance of the City. The following paragraphs summarize the background and experience of selected City administrative personnel.

The City Manager manages the day to day business of the City government; sets strategic direction to achieve the City's community sustainability goals; implements council determined policies; coordinates community issues between departments; and supervises the work of the departments.

Jane S. Brautigam, City Manager. Jane S. Brautigam was appointed City Manager in October of 2008 and is the City's first woman manager in its 90 year history. Before joining the City, Brautigam was city manager for Dublin, Ohio. Previously she worked as the city manager and city attorney for Loveland, Colorado and as assistant county attorney for Boulder County from 1983 to 1985. Ms. Brautigam began practicing law in 1976, where she focused on civil and municipal law, also serving as the city attorney for Greenwood Village, Colorado and assistant town attorney for the towns of Edgartown and Oak Bluffs, Massachusetts. Brautigam earned a Bachelor of Arts in history from Allegheny College and a law degree from the University of Pennsylvania Law School. She currently serves as a member of the Executive Board of the International City Manager's Association, one of three regional vice presidents representing the Mountain Plains region of the United States, and is a member of the board of directors of the Foothills United Way.

Robert W. Eichem, Chief Financial Officer. Mr. Eichem has been the Chief Financial Officer of the City since May 2005. He has 35 years of experience as a finance officer in Colorado local government. He has extensive experience in debt and investment portfolio management. He holds a bachelor's degree in business administration from Colorado State University. At the national level, he is the past president of the Government Finance Officers

Association (GFOA) of the United States and Canada, and has served on the board of this organization for five years. He has served twice as the President of the Colorado Government Finance Officers Association and served as the Education Chairman of the organization for 11 years. He is a member of the American Institute of Certified Public Accountants and Colorado Society of Certified Public Accountants. Mr. Eichem is frequently asked to be a panel member, speaker or instructor at national and state conferences on a variety of local government finance topics.

Growth Policy

The City and County have a jointly adopted comprehensive plan that directs new urban development to the City's service area, preserves lands outside the urban growth boundary, promotes a compact community, provides for affordable housing, and promotes alternative transportation modes.

In January 2014, the City and its service area (Areas I and II) had a population of approximately 113,690 and employment of 100,500. Approximately 30,000 students attend the University of Colorado. Over the next 20 years, the City is projected to add another 8,000 housing units, 16,000 people and 20,000 jobs. Since there is little vacant land left in the City's service area, most of this growth will occur through redevelopment.

Public Utilities

Gas and electricity for the City are provided by Public Service Company of Colorado. Rates for gas, electricity and telephone service are regulated by the Public Utilities Commission. The City is in the process of creating a municipal energy utility. See "LEGAL MATTERS – Litigation." Water and sewer services are provided by the City.

Retirement and Pension Matters

City employees are covered under several retirement plans and other, non-City funded postemployment benefits are available to employees. The matters are discussed in significant detail in Notes U, V and W to the City's audited financial statements appended hereto.

Labor Relations

Non-management, non exempt employees of most City departments are presently represented by the Boulder Municipal Employees Association (the "BMEA") through the last pay period of 2016. There are 425 standard employees represented by the BMEA. In addition, the City also has economic contracts with the police association (169 employees), renewed through the last pay period of 2015 and the firefighters' association (97 employees) renewed through the last pay period of 2016. In the opinion of the City's Human Resources Director, Joyce Lira, the City's relationship with its employees is presently satisfactory.

CITY FINANCIAL INFORMATION

Debt Limitation

Debt Limitation. The Charter limits City indebtedness to no more than three percent of the total assessed valuation of real property within the City. The 2014 assessed valuation is $2,599,361,894; therefore, the maximum general obligation debt permitted by the Charter is $77,980,856. This limit does not include revenue bonds, even if there is a contingent pledge of the full faith and credit of the City. The City presently has no indebtedness outstanding which applies toward the debt limit.

Revenue Obligations with General Obligation Pledge. Set forth below are certain obligations of the City outstanding secured with a pledge of revenues other than the Net Income and are additionally secured by a pledge of the City's full faith and credit.

Outstanding Revenue Bonds Secured by a General Obligation Pledge

Obligation	Outstanding Principal Amount
Open Space Acquisition Bonds, Series 2006	$8,975,000
Open Space Acquisition Refunding Bonds, Series 2007	6,435,000
Parks Acquisition Bonds, Series 2009	2,130,000
Waste Reduction Bonds, Series 2009	4,750,000
Open Space Acquisition Bonds, Series 2014	10,000,000
	$22,290,000

Other Revenue Obligations. The City has the authority to issue revenue obligations payable from the net revenues derived from the operation of municipality-owned utilities or other income producing projects or from the revenue received from certain taxes other than ad valorem property taxes. Such obligations do not constitute an indebtedness of the City; however, except for refinancing bonded debt at a lower interest rate, TABOR (as defined hereafter) requires that all multiple fiscal year obligations of the City have voter approval, unless the City qualifies the issuing utility as an enterprise, which would exempt the issuance of such debt from the provisions of TABOR. The following table sets forth the City's revenue obligations (other than conduit issuances) which are outstanding as of the date of this Official Statement.

Outstanding Revenue Obligations

Obligation	Outstanding Principal Amount
Water and Sewer Revenue Refunding Bonds, Series 2005B	$ 1,630,000
Water and Sewer Revenue Bonds, Series 2005C	2,145,000
Water and Sewer Revenue Refunding Bonds, Series 2007	10,290,000
Water and Sewer Revenue Bonds, Series 2010	8,380,000
Water and Sewer Revenue Refunding Bonds, Series 2011	12,510,000
Water and Sewer Revenue Refunding Bonds, Series 2012	24,325,000
Water and Sewer Revenue Bonds, Series 2015	10,075,000
Storm Water and Flood Management Revenue Refunding Bonds, Series 2010	1,430,000
Storm Water and Flood Management Revenue Bonds, Series 2015	22,845,000
TOTAL	$93,630,000

General Fund Bonds. In 2010 the City issued its Taxable Pension Obligation Bonds, Series 2010, which are presently outstanding in the aggregate principal amount of $7,720,000 and in 2012, the City issued its General Fund Bonds, Series 2012, which are presently outstanding in the aggregate principal amount of $42,485,000. These bonds are not general obligations of the City but are secured by all legally available funds and revenues of the City's General Fund.

Central Area General Improvement District. In 1970, the City created the Central Area General Improvement District ("CAGID"), which consists of a portion of the City including its core downtown area. CAGID obligations are not obligations of the City as a whole, but are limited to the CAGID area. CAGID presently has outstanding $5,450,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2009 and $6,545,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2012. These bonds are secured by certain revenues pledged by CAGID as well as a pledge of the full faith and credit of CAGID, but not the City as a whole.

Other Financial Obligations. The City has the power to create special improvement districts and to issue special assessment bonds payable from assessments against benefited properties within the district. The City does not have any outstanding special improvement districts.

Leases and Long Term Contracts. The Council has the authority to enter into installment or lease option contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval as described in "LEGAL MATTERS--Certain Constitutional Limitations." The term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment. As of December 31, 2014, the City had outstanding approximately $7,178,000 of lease purchase revenue notes, subject to annual appropriation which are payable from revenues guaranteed by the City's sales and use tax.

Mill Levy Limitations and Tax Rates

The Charter restricts the property tax levy to 13.0 mills on a dollar of assessed valuation. This limitation does not include special assessments for local improvements, payment of interest or principal on bonded indebtedness or the charter mill levy for health and hospital purposes. Article X, Section 20 of the Colorado Constitution, however, imposes limitations which are substantially more restrictive than those of the Charter. See "LEGAL MATTERS--Certain Constitutional Limitations."

Earmarked funds from the property tax include 0.900 mills for the Permanent Park and Recreation Fund, 0.333 mills for the Library Fund, and 0.400 mills for human-services purposes. The 0.400 mills for human-services purposes is included in the City's General Fund.

For levy/collection years 2004/2005 through 2008/2009, the City approved and certified a temporary mill levy rate reduction concurrently with its certification of its mill levy to the board of county commissioners. These credits were set off against the City's "gross" mill levy to arrive at a "net" mill levy. Upon receipt of any tax warrant reflecting a temporary mill levy reduction for any local government, the county treasurer is only responsible for collecting taxes on behalf of such local government based upon that local government's "net" mill levy. As such, the City's "net" mill levies for levy/collection years 2004/2005 through 2008/2009 are used in Tables IX through XI below. See also "LEGAL MATTERS--Certain Constitutional Limitations."

In the November 4, 2008 election, city voters approved the removal of the remaining TABOR restriction on property tax with a phase-in period and without any specific earmark for the use of the funds. Approval of this ballot issue had the effect of reducing the mill levy credit by up to .50 mill each year until the credit was completely eliminated. In 2012, the remaining mill levy credit completely was eliminated. The 2014 mill levy rate of 11.981 remained the same as in 2013.

Summary of City Funds

The following tables provide historic information regarding the City's General Fund. *The Certificates are not secured by a pledge of any assets or revenue allocable to the General Fund. See "SECURITY FOR THE CERTIFICATES."*

Historical Revenues, Expenditures and Changes in Fund Balance - General Fund (in thousands)

Revenues:	2009	2010	2011	2012	2013	2014)
Taxes:						
Sales and use taxes	$38,591	$39,657	$41,762	$46,314	$51,375	$55,457
General property taxes	19,702	21,746	25,436	27,234	27,194	28,041
Accommodation taxes	3,049	3,199	4,668	4,890	5,192	6,443
Franchise taxes	7,909	9,023	8,457	10,460	10,938	10,410
Specific Ownership & Tobacco taxes	1,586	1,586	1,578	1,788	1,839	1,954
Excise taxes	491	182	585	361	329	790
Charges for Services	3,498	3,601	3,871	4,264	5,032	4,374
Sale of goods	49	61	179	423	197	350
Licenses, permits and fines	5,566	6,954	6,170	6,339	6,334	6,151
Intergovernmental	1,746	2,266	1,432	3,132	1,710	3,732
Leases, rents and royalties	202	216	214	221	219	214
Interest and investment earnings	468	482	653	257	128	251
Other	1,189	477	1,088	875	745	688
Total revenues	84,046	89,450	96,093	106,558	111,232	118,855
Expenditures:						
Current:						
General Government	10,324	12,121	15,809	13,390	18,575	14,831
Administrative Services	8,735	8,583	8,504	9,149	10,024	6,773
Public Safety	43,194	53,891	45,042	47,744	48,122	50,196
Public Works	4,366	4,502	4,962	5,196	5,529	6,052
Planning & Development Services	48	43	43	43	43	58
Culture and Recreation	4,080	4,196	11,444	12,474	12,585	13,768
Open Space and Mountain Parks	183	193	247	186	193	90
Housing and Human Services	5,338	5,827	6,263	9,614	10,278	7,466
Capital outlay	5,441	--	--	1,467	--	--
Debt service payments:						
Principal	5,906	1,250	1,850	2,420	3,115	2,920
Interest	226	333	650	1,546	2,341	2,261
Base rentals to Boulder Municipal Property Authority	598	594	598	601	--	--
Cost of issuance - bonds	--	--	104	--	--	--
Total expenditures	88,439	91,561	95,516	103,830	110,805	104,415
Excess (deficiency) of revenues over (under) expenditures	(4,393)	(2,111)	577	2,728	427	14,440
Other financing sources (uses):						
Sale of capital assets	6	9	12	--	--	1
Note payable issued	5,441	--	--	--	--	--
Bonds issued	6,000	9,203	--	--	--	--
Premium on bonds issued	72	--	--	--	--	--
Extraordinary item	--	--	(1,250)	--	1,888	956
Transfers in	8,274	9,099	15,498	11,026	10,283	1,444
Transfers out	(13,519)	(13,251)	(13,681)	(7,184)	(8,411)	(8,211)
Total other financing sources (uses)	6,274	5,060	579	3,842	3,760	(5,810)
Net change in fund balance	1,881	2,949	1,156	6,570	4,187	8,630
Fund balance, beginning of year	21,452	23,333	30,529 (1)	31,685	38,255	42,442
Fund balance, end of year	$23,333	$26,282	$31,685	$38,255	$42,442	$51,072

(1) The City's beginning fund balance for the year ended December 31, 2011, was amended to reflect a change in accounting practice pursuant to GASB 54.

Source: The City's audited financial statements for the years ended December 31, 2009-2014.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the City. It is intended only to provide prospective investors with general information regarding the City's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

Population

The following table sets forth the respective populations of the City, Boulder County, and the State of Colorado for the time periods shown. Between 2000 and 2010, the population of the City increased 2.9% and that of Boulder County increased 9.2%. The State's population increased 16.9% during the same time period.

Population

Year	City of Boulder	Percent Change	Boulder County	Percent Change	Colorado	Percent Change
1970	66,870	--	131,889	--	2,207,259	--
1980	76,685	14.7%	189,625	43.8%	2,889,735	30.9%
1990	83,312	8.6	225,339	18.8	3,294,394	14.0
2000(1)	94,673	13.6	269,814	19.7	4,301,261	30.6
2010	97,385	2.9	294,567	9.2	5,029,196	16.9
2011	100,181	--	300,210	--	5,117,368	--
2012	101,363	1.2%	305,068	1.6%	5,188,504	1.4%
2013	102,760	1.4	309,874	1.6	5,264,890	1.5

(1) The Colorado State Demography Office adjusted the 2000 figure for Boulder County to reflect the 2001 creation of the City and County of Broomfield.

Sources: United States Department of Commerce, Bureau of the Census (1970-2010) and Colorado State Demography Office (2011-2013 estimates, which are subject to periodic revisions).

Income

The following table sets forth annual per capita personal income levels for Boulder County, the State and the United States. Per capita levels in Boulder County have consistently exceeded State and national levels during the period shown.

Annual Per Capita Personal Income

Year[1]	Boulder County	Colorado	United States
2009	$48,159	$41,518	$39,379
2010	48,983	41,689	40,144
2011	51,668	44,183	42,332
2012	54,502	46,315	44,200
2013	54,968	46,897	44,765
2014	--	48,730	46,129

(1) Figures for Boulder County posted November 20, 2014. State and national figures posted March 25, 2015. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The following table presents information on employment within Boulder County, the State and the United States for the period indicated.

Labor Force and Percent Unemployed

	Boulder County[1]		Colorado[1]		United States
Year	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2010	170,293	7.0%	2,724,417	8.7%	9.6%
2011	171,906	6.4	2,734,416	8.3	8.9
2012	174,308	6.1	2,757,126	7.8	8.1
2013	175,582	5.4	2,779,631	6.8	7.4
2014	177,744	4.1	2,817,334	5.0	6.2
Month of June					
2014	177,068	4.3%	2,840,182	5.1%	6.1%
2015	175,734	3.8	2,840,049	4.5	5.3

(1) Figures for Boulder County and the State are not seasonally adjusted.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Labor Force Data and United States Department of Labor, Bureau of Labor Statistics.

The following table sets forth the number of individuals employed within selected Boulder County industries which are covered by unemployment insurance. In 2014, the largest employment sector in Boulder County was professional and technical services (comprising approximately 15.1% of the county's work force), followed, in order, by educational services, health care and social assistance, manufacturing, and retail trade. For the twelve-month period ended December 31, 2014, total average employment in Boulder County increased 2.7% as compared to the same period ending December 31, 2013, and the average weekly wage increased by approximately 3.1% during the same period.

Average Number of Employees within Selected Industries - Boulder County

Industry	2010	2011	2012	2013	2014
Accommodation and Food Services	14,259	14,977	15,525	15,856	16,333
Administrative and Waste Services	5,832	6,492	6,617	6,832	7,038
Agriculture, Forestry and Fisheries	382	389	385	394	405
Arts, Entertainment and Recreation	2,749	2,788	2,813	2,861	2,978
Construction	4,086	3,831	3,993	4,259	4,709
Educational Services	18,986	19,150	19,537	19,955	20,562
Finance and Insurance	4,869	4,756	4,742	4,906	4,871
Government	7,590	7,565	7,609	7,667	7,836
Health Care and Social Assistance	17,605	18,314	18,853	19,558	19,960
Information	8,696	8,662	8,733	8,348	8,288
Management of Companies/Enterprises	923	939	1,029	1,068	1,078
Manufacturing	15,202	15,920	16,543	17,148	17,437
Mining	545	251	251	212	276
Non-classifiable	9	8	20	23	34
Other Services	4,429	4,430	4,566	4,773	4,865
Professional and Technical Services	21,504	22,628	23,721	24,422	25,603
Real Estate, Rental and Leasing	2,114	2,141	2,226	2,284	2,379
Retail Trade	15,181	15,582	16,009	16,177	16,500
Transportation and Warehousing	1,940	1,918	1,967	2,037	2,048
Utilities	332	306	292	284	292
Wholesale Trade	4,884	5,088	5,266	5,522	5,559
Total[1]	152,116	156,134	160,697	164,583	169,053

(1) Figures may not equal totals when added due to the rounding of averages or the inclusion in the total figure of employees that were not disclosed in individual classifications.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

Major Employers

The following table sets forth a selection of the largest public and private employers in the Boulder County area, which includes Boulder County, the City and County of Broomfield, and southwest Weld County. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employers in the area.

Major Employers in the Boulder County Area

Name of Employer	Product or Service	Estimated Number of Employees
University of Colorado at Boulder	Higher Education	7,964[(1)]
Boulder Valley School District	K-12 Education	4,133[(2)]
IBM	Computer Systems and Services	2,800[(3)]
St. Vrain Valley School District	K-12 Education	2,535[(4)]
Level 3 Communications Inc.	Communication and Internet Systems	2,500[(5)]
Boulder Community Health	Healthcare	2,220[(3)]
Medtronic PLC	Medical Devices and Products	2,150[(3)]
Oracle Corp.	Software and Network Computer Systems	2,000[(5)]
Boulder County	Government	1,824[(6)]
Covidien PLC[(7)]	Medical Devices and Products	1,780[(5)]

(1) Figure as of November 1, 2014. Figure does not include student employees.
(2) Figure includes full-time and part-time employees as of January 1, 2014.
(3) Figure as of May 2015 represents employees in Boulder County.
(4) Full-time equivalent employees for fiscal year 2014.
(5) Figure posted November 1, 2014 represents full-time employees in the Boulder County region.
(6) Full-time equivalent employees for fiscal year 2014.
(7) Covidien PLC includes Surgical Solutions and Respiratory and Monitoring Solutions.

Sources: *Daily Camera*, "Boulder County Area's Largest Employers in the Private Sector," posted November 1, 2014; Development Research Partners as posted by Metro Denver Economic Development Corporation; and individual public sector employers.

Retail Sales

The following table sets forth annual retail sales figures for the City, Boulder County, and the State.

Retail Sales
(in thousands)

Year	City of Boulder	Percent Change	Boulder County	Percent Change	Colorado	Percent Change
2009	$3,515,720	--	$7,975,222	--	$134,058,593	--
2010	3,873,581	10.2%	8,474,164	6.3%	143,670,319	7.2%
2011	4,204,617	8.5	9,139,050	7.8	154,697,943	7.7
2012	4,459,244	6.1	9,632,691	5.4	164,387,648	6.3
2013	4,535,302	1.7	9,991,822	3.7	172,784,033	5.1
2014(1)	4,759,003	--	10,369,463	--	182,374,957	--

(1) Figures are through the fourth quarter of 2014, but do not represent final annual figures.

Source: State of Colorado, Department of Revenue, "Sales Tax Statistics," 2009-2014.

Building Activity

The following tables provide a history of building permits issued for new residential and commercial construction in the City and the unincorporated portions of Boulder County during the time period shown.

Building Permit Issuances for New Structures in the City of Boulder

	Single Family		Multi-Family(1)		Commercial/Industrial(2)	
Year	Buildings	Value	Buildings	Value	Buildings	Value
2010	60	$14,498,758	34	$62,798,265	9	$6,254,296
2011	35	13,877,942	27	64,270,630	4	51,299,408
2012	50	23,978,967	11	50,498,662	9	63,573,730
2013	57	21,292,625	54	161,977,375	13	87,176,920
2014	83	47,911,360	42	103,430,970	20	115,793,193
2015(3)	45	21,938,026	13	40,154,957	9	47,607,303

(1) Includes permits for condos, townhomes, and multi-family dwellings.
(2) Includes permits for hotels and motels; amusement, social and recreational; industrial; offices, banks and professional; and stores.
(3) Figures are for permits issued from January 1 through July 31, 2015.

Source: City of Boulder, Planning and Development Services.

Building Permit Issuances for New Structures in Unincorporated Boulder County

	Residential		Commercial/Industrial[1]	
Year	Permits	Valuation	Permits	Valuation
2010	44	$24,294,536	-0-	-0-
2011[2]	101	38,742,276	1	$49,000
2012	58	22,436,299	1	692,000
2013	59	26,599,986	2	681,500
2014	43	27,150,645	4	2,829,000
2015[3]	27	14,572,368	1	470,000

(1) Includes new industrial buildings and manufacturing plants; offices, banks, and professional buildings; and stores, customer service buildings, and restaurants.
(2) The unusually high number of new residential permits is partially due to permits issued to replace residences destroyed by wildfire.
(3) Figures are for permits issued from January 1 through July 31, 2015.

Source: Boulder County Land Use Department, Building Safety and Inspection Division.

Foreclosure Activity

The following table sets forth the number of foreclosures filed in Boulder County during the time period shown. Such information only represents the number of foreclosures filed and does not take into account foreclosures which were filed and subsequently redeemed or withdrawn.

History of Foreclosures

Year	Boulder County	Percent Change
2010	1,352	--
2011	965	(28.6)%
2012	789	(18.2)
2013	389	(50.7)
2014	249	(36.0)
2015[1]	147	--

(1) Figures are for January 1 through August 4, 2015.

Sources: Colorado Division of Housing (2010 to 2014 figures) and Boulder County Public Trustee's Office (2015 figure).

TAX MATTERS

Generally. In the opinion of Kutak Rock LLP, Special Counsel, under existing laws, regulations, rulings and judicial decisions, the portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the Owners of the Certificates, is includible in gross income for federal and State of Colorado income tax purposes. Special Counsel has expressed no opinion regarding other federal or State of Colorado tax consequences arising with respect to the Certificates, and has expressed no opinion as to the effect of any termination of the City's obligations under the Lease, under certain circumstances as provided in the Lease, upon the treatment for federal and State of Colorado income tax purposes of any moneys received by the Owners of the Certificates subsequent to such termination.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Certificates under the Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated thereunder (final and proposed) (the "Regulations"), and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Certificates should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Certificates.

In general, interest paid on the Certificates, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Certificates, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Original Issue Discount. If the Certificates are deemed to be issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. The holder of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days he owned the instrument. The legislative history of the original issue discount provisions indicates that the calculation and accrual of original issue discount should be based on the prepayment assumptions used by the parties in pricing the transaction.

Owners of Certificates purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning such Certificates.

Premium. An investor that acquires a Certificate for a cost greater than its remaining stated redemption price at maturity and holds the Certificate as a capital asset will be considered to have purchased the Certificate at a premium and, under Section 171(c) of the

Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable certificate premium that reduces interest payments under Section 171 of the Code. Such premium is generally amortized over the Certificate's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Certificates purchased with a certificate premium should consult their own tax advisors as to the effect of such certificate premium with respect to their own tax situation and as to the treatment of certificate premium for state tax purposes.

Market Discount. An investor that acquires a Certificate for a price less than the adjusted issue price of such Certificate (or an investor who purchases a Certificate in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Certificate originally issued at a discount, the amount by which the issue price of such Certificate, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Certificate not originally issued at a discount, the amount by which the stated redemption price of such Certificate at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Certificate will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the Certificate, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a Certificate or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Certificate with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Certificate who acquired a Certificate at a market discount also may be required to defer, until the maturity date of such Certificate or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Certificate in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Certificate. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Certificate for the days during the taxable year on which the owner held the Certificate and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Certificate matures or is disposed of in a taxable

transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefor, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. Holders of the Certificates should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the Certificates as well as gain on the sale of a Certificate.

Sales or Other Dispositions. If an owner of a Certificate sells such Certificate, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such Certificate. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Certificate were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Certificate should consult its own tax advisor concerning the circumstances in which such Certificate would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance. The legal defeasance of the Certificates may result in a deemed sale or exchange of such Certificates under certain circumstances. Owners of such Certificates should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding. An owner of a Certificate may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Certificates, if such owner, upon issuance of the Certificates, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors. An owner of a Certificate that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Certificate will generally not be subject to United States income or withholding tax in respect of a payment on a Certificate, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury,

certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax will apply to interest paid and original issue discount accruing on Certificates owned by foreign investors. In those instances in which payments of interest on the Certificates continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Certificates having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Certificate.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Certificate incurs acquisition indebtedness with respect to such Certificate, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Certificate is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Certificates must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest

with respect to an ERISA Plan, including the acquisition by one from the other of the Certificates could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the City or any dealer of the Certificates might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Certificates are acquired by such plans or arrangements with respect to which the City or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Certificates. The sale of the Certificates to a plan is in no respect a representation by the City or the underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Certificates should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Changes in Federal Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Certificates issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Certificates. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Certificates or the market value thereof would be impacted thereby. Purchasers of the Certificates should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Special Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Certificates and Special Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

LEGAL MATTERS

Litigation

The City has been advised that to the best knowledge of the City Attorney as of the date of this Official Statement, there are no suits or claims currently pending or threatened against the City that will materially and adversely affect the financial condition or operations of the City; the Leased Property; the City's power to execute and deliver the Lease; the proceedings and authority under which the Certificates are issued, or affecting the validity of the Certificates; and neither the corporate existence nor the boundaries of the City or the title of its present officers to their respective offices is being contested.

The City created a municipal energy utility in 2014. Public Service Company of Colorado (known by the trade name "Xcel Energy") filed suit challenging the city decision to create a light and power utility through the adoption of Chapter 11-7, "Light and Power Utility," B.R.C. 1981 (Ordinance No. 7969). On June 25, 2015 the Boulder District Court dismissed Xcel's complaint for lack of subject matter jurisdiction. On August 12, 2015, Xcel filed a notice of appeal of that decision with the Colorado Court of Appeals. The City is presently seeking approval from the Colorado Public Utilities Commission for transfer to the city of Xcel's assets serving Boulder customers for the city to operate its own municipal electric utility. After the Public Utilities Commission proceedings, the city intends to initiate good faith negotiations, and if necessary, condemnation proceedings to acquire such property and equipment.

Xcel Energy is presently the primary provider of electric service within the City. The transition to a municipal energy utility and the related issuance of up to $214 million of bonds or other obligations to acquire existing assets of the electric system and for paying stranded costs in one complete payment have been approved by the City's voters. The completion of this process is subject to certain conditions which may or may not be met. Any obligations issued on behalf of the municipal energy utility are not anticipated to be secured by the Net Income.

Governmental Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S. (the "Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the City, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle owned or leased by the public entity; operation and maintenance of any public water, gas, sanitation, electrical, power or swimming facility; a dangerous condition of any public buildings; the operation of any public water facility; and a dangerous condition of a public highway, road or street as provided in the Immunity Act. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of $350,000; (b) for an injury to two or more persons in any single occurrence, the sum of $990,000; except in such instance, no person may recover in excess of $350,000. The Immunity Act provides for increases in those amounts every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index. The City may not be held liable under the Immunity Act either directly or by indemnification for punitive or exemplary damages unless the City voluntarily pays such damages in accordance with State law.

The City may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability

include suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Approval of Certain Legal Proceedings

In connection with the Certificates, Kutak Rock LLP, as Special Counsel, will render its opinion as to the validity of the. See Appendix D - Form of Special Counsel Opinion. Butler Snow LLP is acting as special counsel to the City in connection with this Official Statement. Certain matters will be passed upon for the City by the City Attorney.

Certain Constitutional Limitations

General. At the general election on November 3, 1992, the voters of Colorado approved Article X, Section 20 of the Colorado Constitution ("TABOR"). In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the City ("local governments"), but does not apply to "enterprises," defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Some provisions of TABOR are unclear and will require further judicial interpretation. No representation can be made as to the overall impact of TABOR on the future activities of the City, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government's spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate. The Lease does not constitute a multiple-fiscal year financial obligation of the City and thus may be entered into without an election.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service, however, can be paid without regard to any spending limits, assuming revenues are available to do so.

At the November 2, 1993 election, City voters authorized the City to collect, retain, and expend without regard to the revenue and limitations imposed by TABOR, the full proceeds of the City's sales and use tax, admission tax, accommodations tax, and non-federal grants. At the November 8, 1994 election, City voters approved an increase in the City's trash tax and an education excise tax and allowed the City to collect and spend the full proceeds of such taxes and any interest thereon.

At the November 5, 1996 election, City voters authorized the City to remove TABOR restrictions on all revenues (except property tax) and expenditures of the City, and authorized the collect, retention and expenditures of all revenues of the City free from current revenue and expenditure limitations and from any limitations that may be enacted in the future without the amendment of the City's Charter by the electors of the City.

In addition, at the November 4, 2008 election, the City voters authorized the City to remove TABOR restrictions on property tax revenues collected above the limits imposed by TABOR. The election specified that retention above TABOR limits will not rise more than .5 mills annually for tax collection years 2009 and beyond up to the maximum allowable level of property taxes and that any tax monies that are collected above those that the City may retain will be credited to property owners as an offset against the subsequent year's taxes.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The City has set aside emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase-out requirements) to reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

Police Power

The obligations of the City are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including bankruptcy.

INDEPENDENT AUDITORS

The financial statements of the City, included in this Official Statement as Appendix A have been audited by BKD LLP, Certified Public Accountants and Advisors, Denver, Colorado, independent auditors, as stated in their report appearing therein. BKD LLP has not participated in the preparation of this official statement.

FINANCIAL ADVISOR

Piper Jaffray & Co. is acting as financial advisor to the City in connection with the issuance of the Certificates.

RATINGS

Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("S&P") and Moody's Investors Service ("Moody's") have assigned the Certificates the ratings shown on the cover page of this Official Statement. An explanation of the significance of any S&P ratings may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of any Moody's ratings may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007.

Such ratings reflect only the views of the rating agencies, and there is no assurance that the ratings will be obtained or will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Certificates. Other than the City's obligations under the Disclosure Undertaking, neither the City nor the Financial Advisor has undertaken any responsibility to bring to the attention of the owners of the Certificates any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

PUBLIC SALE

The City expects to offer the Certificates at public sale on _____, 2015. See the Notice of Public Sale dated _____, 2015.

OFFICIAL STATEMENT CERTIFICATION

The preparation of this Official Statement and its distribution have been authorized by the City Council. This Official Statement is hereby duly approved by the City Council as of the date on the cover page hereof.

CITY OF BOULDER, COLORADO

By: _____
Mayor

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE: The audited basic financial statements of the City for the year ended December 31, 2014, have been excerpted from the City's Comprehensive Annual Financial Report for that year. Certain statistical tables and other information were purposely excluded from this Appendix A. Such statements provide supporting details and are not necessary for a fair presentation of the general purpose financial statement of the City.

APPENDIX B

FORM OF LEASE AND INDENTURE

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such

Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Certificates will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the City or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Certificate certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Certificate certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Agreement") is executed and delivered by the City of Boulder, Colorado (the "City") in connection with the issuance of $_____ aggregate principal amount of the Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "Certificates"). The Certificates are being issued pursuant to a Mortgage and Indenture of Trust dated November 1, 2015 (the "Indenture") between the Boulder Municipal Property Authority and U.S. Bank National Association.

In consideration of the issuance of the Certificates and the purchase of such Certificates by the owners thereof, the City hereby covenants and agrees as follows:

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the holders and owners (the "Certificate Holders") of the Certificates and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person (as defined in the Rule) with respect to the Certificates at the time the Certificates are delivered to the Participating Underwriter and that no other person is expected to become an obligated person at any time after the issuance of the Certificates.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"*Annual Financial Information*" means the financial information and operating data described in Exhibit I.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means the City's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the Charter, and as described in Exhibit I hereto.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Material Event*" means the occurrence of any of the events with respect to the Certificates set forth in Exhibit II.

"*Material Events Disclosure*" means dissemination of a notice of a Material Event as set forth in Section 5.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Certificates.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at *www.emma.msrb.org* (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"*Rule*" means Rule 15c2 12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*State*" means the State of Colorado.

"*Undertaking*" means the obligations of the City pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the Certificates is _____. The final Official Statement relating to the Certificates is dated _____, 2015 (the "Final Official Statement").

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the City hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by delivering such Annual Financial Information and the Audited Financial Statements to the MSRB by July 31st of each year.

The City is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the

MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Agreement, the City hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Certificates or defeasance of any Certificates need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Certificates pursuant to the Indenture. From and after the Effective Date, the City is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty To Update EMMA/MSRB. The City shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the City To Provide Information. The City shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the Certificate Holder of any Certificate may seek specific performance by court order to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture or the Agreement or any other agreement, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Certificate Holders of the Certificates, as determined either by parties unaffiliated with the City or by an approving vote of the Certificate Holders of the Certificates holding a majority of the aggregate principal amount of the Certificates (excluding Certificates held

by or on behalf of the City or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder when the City shall no longer have any legal liability for any obligation on or relating to the Lease Purchase Agreement dated November 1, 2015, between the City and the Boulder Municipal Property Authority relating to the Certificates. The City shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the City shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the Certificate Holders of the Certificates, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The City represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Assignment. The City shall not transfer its obligations under the Financing Agreement unless the transferee agrees to assume all obligations of the City under this Agreement or to execute a continuing disclosure undertaking under the Rule.

Section 16. Governing Law. This Agreement shall be governed by the laws of the State.

[Signature on Following Page]

CITY OF BOULDER, COLORADO

By _____
Chief Financial Officer

Dated: _____, 2015

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data exclusive of Audited Financial Statements as set forth below of the type appearing or incorporated by reference as set forth on page iv of the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB by July 31st of each year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE CERTIFICATES FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Nonpayment-related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the City *

13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

APPENDIX E

FORM OF SPECIAL COUNSEL OPINION

APPENDIX F

LEASED PROPERTY APPRAISALS

NOTICE OF SALE

$41,000,000*
THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATES OF PARTICIPATION
SERIES 2015

PUBLIC NOTICE IS HEREBY GIVEN that electronic bids will be received for the purchase of the $41,000,000* aggregate principal amount of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "Series 2015 Certificates"), more particularly described below. As more fully described in the Preliminary Official Statement, dated October [___], 2015 (the "Preliminary Official Statement"), the City of Boulder, Colorado (the "City") is causing the Series 2015 Certificates to be offered and issued by The Boulder Municipal Property Authority (the "Corporation"), pursuant to the Bond Ordinance of the City adopted on September 15, 2015 (the "Ordinance") and a resolution of the Corporation adopted on September 15, 2015 (the "Resolution"). Bids for the purchase of the Series 2015 Certificates must be submitted through the BIDCOMP/PARITY electronic bidding system ("PARITY"). The date and time for submitting bids will be as follows:

Bid Date: **October 27, 2015**

Bid Time: **Between 11:30 a.m. and 12:00 noon Eastern Time (Between 9:30 a.m. and 10:00 a.m. Mountain Time)**

Submit Bid to: **BIDCOMP/PARITY electronic bidding system as set forth in "TERMS OF SALE—Submission of Bids"**

Delivery Date: **November 17, 2015**

Information relating to this auction may be obtained from the City's Financial Advisor, Piper Jaffray & Co. (the "Financial Advisor"), at 720-556-0167 or 303-405-0863 (P. Jonathan Heroux or Jonathan Ruth) or from PARITY at 212-849-5021.

To bid, each bidder must have both (1) a subscription to BIDCOMP and (2) requested and received admission to the bidding of the Series 2015 Certificates, as described under "TERMS OF SALE—Submission of Bids" below. The use of PARITY shall be at the bidder's risk and expense, and neither the City, the Financial Advisor, Kutak Rock LLP ("Bond Counsel") nor U.S. Bank National Association (as more specifically defined below, the "Trustee") shall have any liability with respect thereto.

Neither the City, the Trustee, the Financial Advisor, nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without

*Preliminary; subject to adjustment as set forth herein.

limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the PARITY time stamp will govern the receipt of all electronic bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Notice of Bond Sale.

This Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the Series 2015 Certificates. The information set forth herein is subject, in all respects, to a more complete description of the Series 2015 Certificates and the security therefor set forth in the Preliminary Official Statement.

BOND DETAILS

Terms. The Series 2015 Certificates will be issued in the aggregate principal amount set forth in the caption of this Notice of Bond Sale, and will be dated the date of delivery. The proceeds of the Series 2015 Certificates are being used to (a) finance the acquisition of the Boulder Community Hospital Broadway campus (the "Project"); and (b) pay costs of issuance of the Series 2015 Certificates.

Interest on the Series 2015 Certificates will be payable on each May 1 and November 1, commencing on May 1, 2016, while the Series 2015 Certificates are outstanding. The Series 2015 Certificates will mature on November 1 in each of the designated amounts and years as follows:

Maturity Schedule*

Maturity Date (November 1)	Principal Amount	Maturity Date (November 1)	Principal Amount
2016		2027	
2017		2028	
2018		2029	
2019		2030	
2020		2031	
2021		2032	
2022		2033	
2023		2034	
2024		2035	
2025		2036	
2026			

* Preliminary; subject to adjustment as set forth in "TERMS OF SALE—Adjustment of Principal Amount and of Maturities After Determination of Best Bid" herein.

The Series 2015 Certificates will be issued in registered form, in denominations of $5,000 or integral multiples thereof. The Series 2015 Certificates will be issued in book-entry form utilizing the services of The Depository Trust Company, New York, New York ("DTC") as securities depository. U.S. Bank National Association (the "Trustee") as trustee under a Mortgage and Indenture dated as of November 1, 2015 (the "Indenture"), between the Corporation and the Trustee, shall serve as Registrar, Paying Agent and Transfer Agent for the Series 2015 Certificates. CUSIP numbers will be affixed to the Series 2015 Certificates, but errors in such CUSIP numbers or the failure to affix the CUSIP numbers to the Series 2015 Certificates shall not constitute cause for the purchaser to refuse delivery of the Series 2015 Certificates.

Security. The Series 2015 Certificates evidence assignments of proportionate undivided interests in certain payments pursuant to the Lease and are secured by the Indenture, pursuant to which the Corporation will assign to the Trustee, for the benefit of the registered owners of the Series 2015 Certificates, its interest in the Lease, as well as a mortgage and security interest in the Leased Property. The Series 2015 Certificates are payable solely from amounts which may be appropriated annually by the City, from certain net proceeds of insurance policies or condemnation awards, from interest earnings on moneys in certain funds and accounts or from net proceeds from the leasing of or a liquidation of the Trustee's interest in the Leased Property.

Neither the Series 2015 Certificates nor the Lease constitutes a mandatory payment obligation in any fiscal year of the City beyond a fiscal year for which the City has appropriated

amounts to make payments under the Lease. The City may terminate its obligations under the Lease on an annual basis. The exercise by the City of its option to terminate its obligations under the Lease (an "Event of Nonappropriation and Non-Renewal") is determined by the failure of the City Council to specifically appropriate moneys sufficient to pay all Base Rentals and reasonably estimated Additional Rentals for the next renewal term of the Lease.

Redemption of Series 2015 Certificates in Whole Upon an Event of Nonappropriation and Nonrenewal or Event of Default. The Series 2015 Certificates are to be called for redemption in whole, on any date, in the event of the occurrence of an Event of Nonappropriation and Nonrenewal or the occurrence and continuation of an Event of Default under the Lease. The redemption price will be the lesser of (a) the principal amount of the Series 2015 Certificates, plus accrued interest to the redemption date (without any premium); or (b) the sum of (i) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Lease with respect to the Event of Nonappropriation and Nonrenewal or the occurrence and continuation of the Event of Default that gave rise to such redemption; and (ii) the other amounts available in the Trust Estate for payment of the redemption price of the Series 2015 Certificates, which amounts will be allocated among the Series 2015 Certificates in proportion to the principal amount of each Series 2015 Certificate. Notwithstanding any other provision of the Indenture, the payment of the redemption price of any Series 2015 Certificate pursuant to this redemption provision will be deemed to be the payment in full of such Series 2015 Certificate and no Owner of any Series 2015 Certificate redeemed pursuant to this redemption provision will have any right to any payment from the Corporation, the Trustee or the City in excess of such redemption price.

In addition to any other notice required to be given under the Indenture, the Trustee is to, immediately after the Trustee has been notified of or has knowledge of the occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default under the Lease, notify the Owners (i) that such event has occurred and (ii) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price set forth in clause (i). If the funds then available to the Trustee are sufficient to pay the redemption price set forth in clause (i), such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price set forth in clause (i) the Corporation and the Trustee shall (A) immediately pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Lease and (B) subject to the provisions of Article VII of the Indenture, immediately begin to exercise and shall diligently pursue all remedies available to them under the Lease in connection of such Event of Nonappropriation and Nonrenewal or Event of Default. The remainder of the redemption price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies.

Optional Redemption of Series 2015 Certificates in Whole Upon Payment of Purchase Option Price. The Series 2015 Certificates maturing on or after November 1, [____] shall be called for redemption, in whole, at a redemption price equal to the principal amount of the Series 2015 Certificates, plus accrued interest, on any date on and after November 1, [____], in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to purchase in full the Leased Property as provided in the Lease, upon payment of the then applicable Purchase Option Price.

Optional Redemption. The Series 2015 Certificates maturing on or prior to November 1, 20__ shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after November 1, 20__ shall be subject to redemption prior to their respective maturity dates at the option and direction of the City, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturities as the City shall determine and by lot within a maturity, on November 1, 20__, on and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date and without a premium.

Adjustment of Aggregate Principal Amount and of Maturities After Determination of Best Bid. The aggregate principal amount and the principal amount of each maturity of the Series 2015 Certificates described above are subject to adjustment by the City, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by the time of award of the Series 2015 Certificates to the successful bidder, and will not reduce or increase the aggregate principal amount of the Series 2015 Certificates by more than 25% in total principal amount. If the principal amount is modified, the underwriting discount percentage (not the dollar amount of the underwriting discount) will be held constant according to the underwriting discount percentage imputed in the reoffering yields of the successful bidder. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

By submitting its bid, each bidder agrees to purchase the Series 2015 Certificates in such adjusted principal amounts and to modify the purchase price for the Series 2015 Certificates to reflect such adjusted principal amounts. The bidder further agrees that the interest rates for the various maturities as designated by the bidder in its bid will apply to any adjusted principal amounts designated by the City for such maturities.

Amendment of Notice. In addition, the City reserves the right to amend this Notice of Bond Sale at any time prior to the date and time for receipt of bids by publishing the amendments via TM3.com and/or Bloomberg wire service.

Interest Rates and Limitations. Interest from the date of delivery will be payable on May 1, 2016, and semiannually thereafter on November 1 and May 1 in each year, as calculated based on a 360-day year of twelve 30-day months.

Only one interest rate shall be specified for any one maturity of the Series 2015 Certificates.

Each interest rate specified must be stated in a multiple of 1/8 or 1/20 of 1 percent per annum.

The maximum differential between the lowest and highest interest rates permitted for the issue is two percent (2.0%) (*i.e.,* the maximum rate of interest accruing on any Series 2015 Certificate prior to its maturity may not exceed the lowest rate of interest accruing on any other Series 2015 Certificate prior to its maturity by more than two percent (2.0%)).

A zero rate is not permitted. No supplemental or "B" interest shall be allowed.

The interest rates on the Series 2015 Certificate shall be in level or ascending order from lowest to highest.

Ratings. Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and Moody's Investors Service Inc., have assigned the Series 2015 Certificates municipal bond ratings of "[___]" and "[___]," respectively. See "RATINGS" in the Preliminary Official Statement.

Authorization. The Series 2015 Certificates are authorized to be issued by the Constitution of the State of Colorado, the Charter of the City, the laws of the State of Colorado, the Ordinance, the Resolution and the Supplemental Public Securities Act.

TERMS OF SALE

Submission of Bids. A prospective bidder must electronically submit a bid for the Series 2015 Certificates via PARITY. Bids may be submitted electronically via PARITY in accordance with this Notice of Bond Sale, until 10:00 a.m. Mountain Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. For further information about PARITY, potential bidders may contact the Financial Advisor at Piper Jaffray & Co., 1200 Seventeenth Street, Suite 1250, Denver, Colorado, Telephone 720-556-0167 or 303-405-0863, or Bidcomp/PARITY at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 404-8153; Fax (212) 849-5021.

Bidding Parameters. Bidders are required to submit unconditional bids specifying the rate of interest and premium, if any, at which the bidder will purchase all and not less than all of the Series 2015 Certificates.

Information Regarding Bids. Bidders may change and submit bids as many times as they wish during the bidding; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (i.e., "Leader," "Cover," "3rd," etc.).

Bids Constitute an Irrevocable Offer. Each bid submitted through PARITY shall be deemed an irrevocable offer to purchase the Series 2015 Certificates on the terms provided in this Notice of Bond Sale and shall be binding upon the bidder.

Purchase Price. The purchase price bid shall not be less than 100% of the par amount, nor will any net discount or commission be allowed or paid on the sale of the Series 2015 Certificates.

Basis of Award. The Series 2015 Certificates will be sold to the bidder offering to purchase the Series 2015 Certificates at the lowest TIC. The actuarial yield on the Series 2015 Certificates using the TIC method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the Series 2015 Certificates as of the date of the Series 2015 Certificates (i.e., November 17, 2015), produces an amount equal to the

aggregate bid price. Such calculation will be made based upon a 360-day year and a semi-annual interval for compounding.

The winning bid will be indicated on PARITY and the auction results, as posted on such website, will be subject to verification by the City and the Financial Advisor. The City and the Financial Advisor will verify the auction results immediately following the close of the bidding period and notice of confirmation by the City and the Financial Advisor of the winning bidder will be made by a posting on PARITY under the "Results" link.

If two or more bids have the same TIC, the first bid submitted, as determined by reference to the time stamp displayed on PARITY, shall be deemed to be the leading bid.

Sale Reservations. The City reserves the right (a) to reject any and all bids for any Series 2015 Certificates, (b) to reoffer any Series 2015 Certificates for public or negotiated sale and (c) to waive any irregularity or informality in any bid.

Good Faith Deposit. The winning bidder will be required to wire _____Dollars ($_____) (1.00% of the par amount) to the City as bid security by 5:00 p.m. Mountain Time on October 27, 2015. The City will provide wire instructions to the winning bidder. The bid security will be retained by the City and: (a) will be applied, without allowance for interest, against the purchase price when the Series 2015 Certificates are delivered to and paid for by such winning bidder or (b) will be retained by the City as liquidated damages if the bidder defaults with respect to the bid or (c) will be returned to the bidder if the Series 2015 Certificates are not issued by the City for any reason which does not constitute a default by the bidder.

Manner and Time of Delivery. The Series 2015 Certificates will be delivered to DTC for the account of the winning bidder at the expense of the City on November 17, 2015 or such later date as the City and the winning bidder may agree. The winning bidder will not be required to accept delivery of the Series 2015 Certificates if they are not tendered for delivery by the City on November 17, 2015, or such later date as the City and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the City.

The good faith deposit of the winning bidder will be credited to the purchaser at the time of delivery of the Series 2015 Certificates (without accruing interest). If the winning bidder for the Series 2015 Certificates fails or neglects to complete the purchase of the Series 2015 Certificates within five days after such Series 2015 Certificates are made ready and are tendered for delivery, the amount of its good faith deposit will be forfeited (as liquidated damages for non-compliance with the bid) to the City, except as hereinafter provided.

Official Statement. The Preliminary Official Statement, dated October [___], 2015, and the information contained therein have been deemed final by the City as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") with permitted omissions, but is subject to change without notice and to completion or amendment in the Final Official Statement in final form (the "Final Official Statement" or the "Official Statement"). The Notice of Bond Sale and the Preliminary Official Statement may be viewed

and downloaded at www.meritos.com and at www.i-dealprospectus.com or a physical copy may be obtained by contacting the City's Financial Advisor. See "—Information" below.

The City, at its expense, will make available to the winning bidder, within seven (7) business days after the award of the sale of the Series 2015 Certificates, up to 10 physical copies of the Final Official Statement, and additional copies of the Final Official Statement may be provided at the winning bidder's expense. The winning bidder must cooperate in providing the information required to complete the Final Official Statement. The City will also provide the Final Official Statement to the winning bidder in electronic form.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure Undertaking. The City has covenanted to provide, in a timely manner, to the municipal securities information repository at http://emma.msrb.org notice of the occurrence of specified, material events and to provide certain financial information on an annual basis as more fully set forth in the Preliminary Official Statement. Reference is made to the Preliminary Official Statement for a more complete description of the City's continuing disclosure undertaking obligations.

State Securities Laws. The City has taken no action to qualify the offer or sale of the Series 2015 Certificates under the securities laws of any state. Should any such qualification be necessary, the City agrees to cooperate with the winning bidder in such matters, provided that the City reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

CUSIP Numbers. CUSIP numbers will be issued and printed on the Series 2015 Certificates. Any error or omission in printing such numbers on the Series 2015 Certificates will not constitute cause for the winning bidder to refuse delivery of any Series 2015 Certificate. All expenses in relation to obtaining the CUSIP numbers and printing of the CUSIP numbers on the Series 2015 Certificates shall be paid for by the winning bidder.

Legal Opinion, Series 2015 Certificates and Transcript. Bids shall be conditioned upon receipt of the approving legal opinion of Bond Counsel, Kutak Rock LLP, but must in any and all other respects be unconditional. In the opinion of Bond Counsel, to be delivered substantially in the form set forth in the Preliminary Official Statement, the Series 2015 Certificates will evidence valid assignments of undivided interests in the Base Rentals to be received under the Lease payable on the terms and subject to the conditions and limitations stated in such opinion and Series 2015 Certificates.

A certified transcript of legal proceedings and the approving opinion of Kutak Rock LLP, as Bond Counsel, and not to exceed 10 copies of the Final Official Statement pertaining to the Series 2015 Certificates, will be furnished at no expense to the purchaser.

Right to Modify or Amend Notice of Bond Sale. The City reserves the right to modify or amend this Notice of Bond Sale and the Bid Form, prior to the bid date. If any modifications occur, supplemental information with respect to the Series 2015 Certificates will be communicated by posting on the PARITY website not later than 3:00 p.m. Mountain Time on

the day preceding the day on which proposals may be submitted, and bidders shall bid upon the Series 2015 Certificates based upon the terms thereof set forth in this Notice of Bond Sale, as so modified by such supplemental information.

Postponement of Sale. The City reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on PARITY prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the Series 2015 Certificates is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the Series 2015 Certificates in conformity in all respects with the provision of this Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on PARITY at the time the sale date and time are announced.

Dated this [___]th day of October, 2015.

By *<u>/s/ Matt Appelbaum</u>*
President, The Boulder Municipal Property Authority

By *<u>/s/ Robert W. Eichem</u>*
Secretary-Treasurer, The Boulder Municipal Property Authority

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Agreement") is executed and delivered by the City of Boulder, Colorado (the "City") in connection with the issuance of $_____ aggregate principal amount of the Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "Certificates"). The Certificates are being issued pursuant to a Mortgage and Indenture of Trust dated November 1, 2015 (the "Indenture") between the Boulder Municipal Property Authority and U.S. Bank National Association.

In consideration of the issuance of the Certificates and the purchase of such Certificates by the owners thereof, the City hereby covenants and agrees as follows:

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the holders and owners (the "Certificate Holders") of the Certificates and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person (as defined in the Rule) with respect to the Certificates at the time the Certificates are delivered to the Participating Underwriter and that no other person is expected to become an obligated person at any time after the issuance of the Certificates.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"*Annual Financial Information*" means the financial information and operating data described in Exhibit I.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means the City's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the Charter, and as described in Exhibit I hereto.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Material Event*" means the occurrence of any of the events with respect to the Certificates set forth in Exhibit II.

"*Material Events Disclosure*" means dissemination of a notice of a Material Event as set forth in Section 5.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Certificates.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at *www.emma.msrb.org* (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"*Rule*" means Rule 15c2 12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*State*" means the State of Colorado.

"*Undertaking*" means the obligations of the City pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the Certificates is _____. The final Official Statement relating to the Certificates is dated _____, 2015 (the "Final Official Statement").

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the City hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by delivering such Annual Financial Information and the Audited Financial Statements to the MSRB by July 31st of each year.

The City is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Agreement, the City hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Certificates or defeasance of any Certificates need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Certificates pursuant to the Indenture. From and after the Effective Date, the City is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty To Update EMMA/MSRB. The City shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the City To Provide Information. The City shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the Certificate Holder of any Certificate may seek specific performance by court order to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture or the Agreement or any other agreement, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Certificate Holders of the Certificates, as determined either by parties unaffiliated with the City or by an approving vote of the Certificate Holders of the Certificates holding a majority of the aggregate principal amount of the Certificates (excluding Certificates held by or on behalf of the City or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder when the City shall no longer have any legal liability for any obligation on or relating to the Lease Purchase Agreement dated November 1, 2015, between the City and the Boulder Municipal Property Authority relating to the Certificates. The City shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the City shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the Certificate Holders of the Certificates, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The City represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Assignment. The City shall not transfer its obligations under the Financing Agreement unless the transferee agrees to assume all obligations of the City under this Agreement or to execute a continuing disclosure undertaking under the Rule.

Section 16. Governing Law. This Agreement shall be governed by the laws of the State.

[Signature on Following Page]

CITY OF BOULDER, COLORADO

By _____
Chief Financial Officer

Dated: _____, 2015

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data exclusive of Audited Financial Statements as set forth below of the type appearing or incorporated by reference as set forth on page iv of the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB by July 31st of each year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE CERTIFICATES FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Nonpayment-related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the City [*]

13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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[*] This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

CITY OF BOULDER

BOULDER MUNICIPAL PROPERTY AUTHORITY AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE: Consideration of Resolution No. 139 approving the Amended and Restated Bylaws of the Boulder Municipal Property Authority.

PRESENTERS:
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Kathy Haddock, Senior Assistant City Attorney
Bob Eichem, Chief Financial Officer

EXECUTIVE SUMMARY:

The Boulder Municipal Property Authority was formed by the city to own properties for the city to facilitate financing of projects and allow the use of certificates of participation as a financing mechanism to purchase properties. The city last issued certificates of participation through BMPA late last century for the Public safety Building and the East Boulder Community Center. The city council members sit as the board of directors of BMPA.

In researching the documents for BMPA staff discovered that the Bylaws originally adopted for BMPA used outdated titles for city officials. In order to update the Bylaws to current laws and to correct the titles for city officials, staff recommends the council adopt the attached Amended and Restated Bylaws.

In order to amend the Bylaws, the original Bylaws require 7 days written notice to council. That notice was provided to councilmembers by electronic mail from the City Attorney's Office on September 8, 2017.

STAFF RECOMMENDATION:

Staff requests council consideration of this matter and action in the form of the following motion: A motion to adopt Resolution No. ___ (**Attachment A**) to adopt the Amended and Restated Bylaws (**Attachment B**).

ATTACHMENTS:

A. Resolution
B. Amended and Restated Bylaws

RESOLUTION NO. 139

A RESOLUTION AUTHORIZING THE ISSUANCE OF THE BOULDER MUNICIPAL PROPERTY AUTHORITY CERTIFICATES OF PARTICIPATION; AUTHORIZING THE METHOD OF SALE WITH RESPECT TO SAID CERTIFICATES; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE CONVEYANCE DOCUMENTS, A LEASE, AND AN INDENTURE; AUTHORIZING THE USE OF A NOTICE OF SALE AND PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF MISCELLANEOUS DOCUMENTS IN CONNECTION THEREWITH; DELEGATING CERTAIN DETAILS TO CERTAIN AUTHORIZED OFFICERS OF THE CORPORATION AND OTHERS; AND PROVIDING THE EFFECTIVE DATE OF THIS RESOLUTION.

WHEREAS, the City of Boulder (the "City"), in the County of Boulder and the State of Colorado (the "State"), is a municipal corporation duly organized and existing as a home rule city under Article XX of the Constitution of the State (the "Constitution") and the home rule charter of the City (the "Charter"); and

WHEREAS, The Boulder Municipal Property Authority (the "Corporation"), a nonprofit corporation that was formed in 1988 for the purpose of purchasing, leasing or otherwise acquiring real estate, property and improvements, as well as leasing, conveying, selling or transferring such real estate, property and improvements, all for the use and benefit of the residents of the City, is duly organized, validly existing and in good standing under the laws of the State of Colorado (the "State"); and

WHEREAS, the City desires to sell to the Corporation certain existing buildings and the land thereon owned by the City and consisting of the City's Public Safety Building, the East Boulder Community Center and the Park Central Building (collectively, the "Property"), and to lease the same back from the Corporation; and

WHEREAS, the Corporation desires to purchase the Property from the City by issuing its Certificates of Participation (the "Certificates") and using a portion of the proceeds therefrom for such acquisition; and

WHEREAS, in order to effect the same, the Board of Directors of the Corporation (the "Board") is desirous of (a) issuing the Certificates; (b) providing for the sale of the Certificates by means of a competitive sale through the BIDCOMP/PARITY electronic bidding system pursuant to the terms set forth in a Notice of Sale (the "Notice of Sale"); (c) receiving a conveyance of the Property through one or more special warranty deeds from the City (collectively, the "Conveyance Document"); (d) entering into a Lease Purchase Agreement with respect to the Property (the "Lease"), between the Corporation, as lessor and the City, as lessee; and (e) causing the issuance, execution and delivery of the Certificates pursuant to a Mortgage and Indenture of Trust (the "Indenture") by and between the Corporation and U.S. Bank,

National Association, as trustee (the "Trustee"), which Certificates shall evidence assignments of proportionate interest in rights to receive certain payments under the Lease; and

WHEREAS, a portion of the proceeds of the Certificates may also be used to fund reserves and pay costs of issuance of the Certificates (including the cost of insurance for the Certificates, if any), and pay other costs and expenses and capital costs related to the acquisition of the Boulder Community Hospital Broadway campus, including any legally permitted costs and expenditures in connection therewith; and

WHEREAS, the obligation of the City to pay Base Rentals and Additional Rentals under the Lease shall be from year to year only and no provision of the Certificates or the Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any fiscal year in excess of amounts appropriated for such fiscal year or for any fiscal year for which the City has not renewed the this Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Constitution or any other Charter, constitutional or statutory limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Constitution; and

WHEREAS, neither the Lease nor the Indenture, nor the execution and delivery of the Certificates, shall directly or indirectly obligate the City to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Boulder Municipal Property Authority that:

Section 1. The issuance of the Certificates in an aggregate principal amount of not to exceed $41,000,000, bearing interest at per annum rate or rates not to exceed 7.00% per annum and maturing no later than December 31, 2036 is hereby in all respects authorized and approved, and the Board hereby delegates the approval of all details of the Certificates within the parameters set forth above to the President, the Vice President or the Secretary-Treasurer (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation is hereby authorized, empowered and directed to execute and deliver the Certificates, and the Secretary-Treasurer of the Corporation is authorized to attest and affix the seal of the Corporation to the same, in one or more series in form and substance as such Authorized Officers shall deem to be necessary, desirable or appropriate, the execution and delivery thereof by one of the Authorized Officers to constitute conclusive approval thereof. The Certificates are being issued pursuant to the Corporation's organizational documents and the Supplemental Public Securities Act, Title 11, Article 57, Part 2 C.R.S. (the "Supplemental Act"). This Resolution constitutes an act of issuance under the Supplemental Act and the Corporation elects to apply the provisions of the Supplemental Act to this Resolution.

Section 2. The Certificates shall be sold by a competitive sale through the BIDCOMP/PARITY electronic bidding system to the responsible bidder bidding the lowest actuarial yield on the Certificates, as an Authorized Officer shall deem in the best interests of the Corporation. Any Authorized Officer of the Corporation is hereby authorized, empowered and

directed to execute and deliver a winning bidder certificate and a sale certificate (the "Sale Certificate") in connection with the sale of the Certificates, in form and substance as such person executing the same shall deem to be necessary, desirable or appropriate, the execution and delivery thereof by one of the Authorized Officers to constitute conclusive evidence of the approval thereof.

Section 3. The execution and delivery of the Conveyance Document, the Lease, and the Indenture are hereby in all respects authorized and approved and any one of the Authorized Officers of the Corporation is authorized, empowered and directed to execute and deliver the Conveyance Document, the Lease, and the Indenture prior to or simultaneously with the issuance of the Certificates, for and on behalf of the Corporation, in form and content as such Authorized Officer shall deem to be necessary, desirable or appropriate, execution thereof by an Authorized Officer to constitute conclusive evidence of the approval thereof.

Section 4. The Board hereby approves the distribution and use in connection with the offering of the Certificates a Notice of Sale, Preliminary Official Statement and final Official Statement in form and substance as the Mayor, the City Manager or the Chief Financial Officer of the City shall approve; and an Authorized Officer is hereby authorized, directed and empowered to execute the Notice of Sale and the final Official Statement, the execution thereof to constitute conclusive evidence of the approval thereof.

Section 5. Any Authorized Officer is hereby authorized, directed and empowered to executive and deliver any and all additional agreements, certificates, documents, opinions or other papers and perform all other acts, including, without limitation, the filing of any financing statements or any other documents to create and maintain a lien or security interest in the properties and revenues pledged under the Indenture as may be required by the documents contemplated above or as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this resolution.

Section 6. The delegations contained herein to the Authorized Officers of the Corporation shall remain in effect to the date of the issuance of the Certificates and the execution and delivery of the Lease and the Indenture.

Section 7. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 8. This resolution shall take effect immediately upon its introduction and passage.

INTRODUCED, READ, PASSED AND ADOPTED this 15th day of September, 2015.

[SEAL]

By _____
President
The Boulder Municipal Property Authority

ATTEST:

By _____
Secretary-Treasurer
The Boulder Municipal Property Authority

AMENDED AND RESTATED BYLAWS
OF
THE BOULDER MUNICIPAL PROPERTY AUTHORITY

ARTICLE I

THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be "The Boulder Municipal Property Authority."

Section 2. Purpose of Authority. The purposes for which the Authority has been organized are set forth in Article 3 of the Articles of Incorporation of the Authority (the "Articles of Incorporation"). As more fully set forth therein, the Authority has been created on behalf and for the benefit of the City of Boulder, Colorado. The Authority, its Board of Directors, officers and agents shall conduct the business and affairs of the Authority in strict conformity for the purposes for which the Authority has been created and otherwise in accordance with the terms and provisions of the Articles of Incorporation and these Bylaws.

Section 3. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority.

Section 4. Office of Authority. The office of the Authority shall be at 1777 Broadway, Boulder, Colorado 80302, or such other place in the City of Boulder, State of Colorado, as the Authority may from time to time designate by resolution.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Board of Directors. The Board of Directors shall be the members of the City Council of the City of Boulder as provided in the Articles of Incorporation.

Section 2. Term of Office. The term of office of each Director shall coincide with his or her term as Mayor and/or member of the City Council of the City of Boulder.

Section 3. Officers. The officers of the Authority shall be a President, a Vice President, a Secretary-Treasurer and one or more Assistant Secretaries, as determined by the Board of Directors.

Section 4. President. The President shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the President shall sign all contracts, deeds and other instruments made by the Authority. The President shall be the chief executive officer of the Authority, and, as such shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. The President shall be charged with the management of the projects of the Authority.

Section 5. Vice President. The Vice President shall perform the duties of the President in the absence or incapacity of the President; and in case of the resignation or death of the President, the Vice President shall perform such duties as are imposed on the President until such time as the Authority shall select a new President.

Section 6. Secretary-Treasurer. The Secretary-Treasurer shall keep the records of the Authority, shall act as secretary of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office of Secretary-Treasurer. The Secretary-Treasurer shall promptly submit a copy of the record of the proceedings of the Authority to the City Council of the City of Boulder. The Secretary-Treasurer shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Secretary-Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such banks or savings and loan associations as the Authority may select. Any officer, other than an Assistant Secretary, shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall be countersigned by any officers excluding Assistant Secretaries. The Secretary-Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, at each regular meeting (or more often when requested), an account of his or her transactions and also of the financial condition of the Authority. The Secretary-Treasurer shall make the books of account available to the City of Boulder for inspection upon request.

Section 7. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the bylaws or rules and regulations of the Authority.

Section 8. Appointment. The President shall be the Mayor of the City of Boulder; the Vice President shall be the Mayor Pro Tem of the City of Boulder; and the Secretary-Treasurer shall be the Chief Financial Officer of the City of Boulder; in each such case for terms coincident with their respective terms or tenure as Mayor, Mayor Pro Tem and Chief Financial Officer, respectively.

Section 9. Personnel. The Authority shall have no employees.

ARTICLE III

MEETINGS

Section 1. Regular Meetings. Regular meetings may be held without notice at such times and places as may from time to time be determined by resolution of the Authority. Meetings of the City Council of the City of Boulder, when acting as members of the Authority for the limited purposes set forth in the Articles of Incorporation, shall be at such place as shall be designated by law for such meetings.

Section 2. Special Meetings. The President of the Authority may, when he or she deems it expedient, and shall, upon the written request of two members of the Authority, call a special meeting of the Authority for the purpose of transacting any business designated in the call. A call for a special meeting may be phoned and/or delivered to each member of the Authority or may be mailed to the business or home address of each member of the Authority at least twenty-four (24) hours prior to the date and time of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all of the members of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

Section 3. Quorum. The powers of the Authority shall be vested in the Board of Directors thereof in office from time to time. A majority of the Directors holding office shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of a majority of the Board of Directors present.

Section 4. Order of Business. At the regular meetings of the Authority the following shall be the order of business:

1. Roll call.
2. Reading and approval of the minutes of the previous meeting.
3. Bills and communications.
4. Report of the President.
5. Unfinished business.
6. New business.
7. Adjournment.

All resolutions shall be reduced to writing and shall be copied in the official minute book or journal of the proceedings of the Authority.

Section 5. Manner of Voting. The voting on all questions coming before the Authority shall be by roll call, and the ayes, nays and abstentions shall be entered upon the minutes of each meeting. Every member of the Authority, when present, must vote unless excused from voting on matters involving the consideration of his or her own official conduct or when his or her personal or financial interest is involved. Any member of the Authority must state at the time of abstention the reason for abstention.

Section 6. Conflict of Interest. If any Director, other officer or employee of an Authority owns or controls an interest, direct or indirect, in any property included or planned to be included in any project, he or she shall immediately disclose the same in writing to the Authority, and such disclosure shall be entered upon the minutes of the Authority. Upon such

disclosure, such Director, officer or other employee shall not participate in any action by the Authority affecting the carrying out of the project planning or undertaking of the project.

ARTICLE IV

AMENDMENTS

Amendments to Bylaws. The bylaws of the Authority shall be amended only with the approval of at least a quorum of the members of the Board of Directors of the Authority at a regular or a special meeting, but no such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all of the members of the Board of Directors of the Authority.

The foregoing Bylaws have been duly adopted and approved by a resolution of the Board of Directors of The Boulder Municipal Property Authority.

[SEAL]

_____
President

_____
Secretary-Treasurer

CITY OF BOULDER
BOULDER MUNICIPAL PROPERTY AUTHORITY AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE: Consideration of Resolution No. 140 authorizing the issuance of certificates of participation; the method of sale of such certificates; the execution and delivery of conveyance documents, lease and indenture, the use of a notice of sale and preliminary and final official statements; the execution of related documents and setting forth related details.

PRESENTERS:
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Kathy Haddock, Senior Assistant City Attorney
Bob Eichem, Chief Financial Officer
Maureen Rait, Executive Director of Public Works
David Driskell, Executive Director of Planning and Sustainability
Cheryl Pattelli, Director of Finance
Ron Gilbert, Assistant Controller
Elena Lazarevska, Senior Financial Analyst
Doug Newcomb, Property Agent

EXECUTIVE SUMMARY:

In furtherance of the council decision to authorize the acquisition of Boulder Community Hospital Broadway Campus (BCH Broadway), documents to finance the acquisition by certificates of participation have been prepared. In a separate agenda item, the City Council will be considering adoption of an ordinance to set the parameters by which the certificates may be sold. It is anticipated that the city will transfer the Public Safety Building, the East Boulder Community Center and Park Central to the Authority for the Authority to lease back to the city. The annual rents paid by the city to BMPA will be in the same amount as the annual lease payments and will be used by the Authority to make the annual payments on the certificates. The attached resolution authorizes the issuance of the certificates in a principal amount not to exceed $41,000,000 within the parameters approved by the city council, competitive sale of the

certificates, acceptance of title to the collateral properties, and execution of all documents necessary for the issuance of the certificates and to lease the collateral properties back to the city.

STAFF RECOMMENDATION:

Staff requests council consideration of this matter and action in the form of the following motion:

A motion to adopt Resolution No. ___ (**Attachment A**) that authorizes the issuance of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "2015 Certificates") in an amount not to exceed $41,000,000 for the purpose of providing funds to acquire the Boulder Community Hospital Broadway Campus; and to approve the other financing documents submitted with the resolution (**Attachments B-G**).

BACKGROUND AND ANALYSIS

BMPA was formed by the city to own properties for the city to facilitate financing of projects and allow the use of certificates of participation as a financing mechanism to purchase properties. The city last issued certificates of participation through BMPA late last century for the Public safety Building and the East Boulder Community Center. The city council members sit as the board of directors of BMPA.

The financing of the purchase of the Boulder Community Hospital Broadway Campus is proposed to be accomplished by BMPA issuing certificates of participation in accordance with the attached resolution. The resolution authorizes the issuance by BMPA of its Taxable Certificates of Participation, Series 2015 (the "2015 Certificates") in an amount not to exceed $41,000,000. Proceeds of the taxable 2015 Certificates will be used by the City for the purpose of providing funds to acquire the Boulder Community Hospital Broadway campus and costs incurred doing due diligence and issuing the certificates. In addition, the Resolution accomplishes the following:

1. Approves BMPA's receipt from the City of the Leased Property (consisting of the Public Safety Building, East Boulder Community Center, and Park Central,) and BMPA's lease of the Leased Property back to the City, subject to appropriation each year, pursuant to a Lease Purchase Agreement.

2. Authorizes a competitive sale of the 2015 Certificates, subject to the parameters set forth in the Resolution and delegates authority to the President, Vice President or Secretary-Treasurer of BMPA to execute and deliver a winning bidder certificate and sale certificate containing the final terms of the 2015 Certificates. Approves the distribution and use of the Preliminary Official Statement and Notice of Sale in connection with the public sale of the 2015 Certificates.

3. Approves the following financing parameters: the 2015 Certificates may be issued in an aggregate principal amount of not to exceed $41,000,000; the 2015 Certificates shall mature no later than December 31, 2036; and the 2015 Certificates shall bear interest at per

annum rate or rates not to exceed 7.00%.

4. Approves the execution and delivery by the President, Vice President or Secretary-Treasurer of BMPA of the Mortgage and Indenture, the Lease Purchase Agreement, the 2015 Certificates and all ancillary financing documents.

SUMMARY OF PRIMARY FINANCING DOCUMENTS SUBMITTED WITH THE RESOLUTION FOR APPROVAL:

(Attachment B) *Lease Purchase Agreement*: between BMPA and the City. BMPA will lease the Leased Property back to the City pursuant to the terms of the Lease Purchase Agreement. The City will (subject to annual appropriation) make Base Rental payments to BMPA from any legally available revenues of the City. The Base Rental payments will be held by the Trustee and used to pay debt service on the 2015 Certificates. The City shall maintain the Leased Property and is permitted to make substitutions, additions, modifications and improvements to the Leased Property during term of Lease. As the principal on the 2015 Certificates is paid down, certain pieces of the Leased Property will be released from the collateral.

(Attachment C) *Mortgage and Indenture of Trust*: between BMPA and the Trustee. BMPA as owner mortgages its ownership interest in the Leased Property to the Trustee, and assigns its rights to receive Base Rentals under the Lease to the Trustee under the Indenture, for the benefit of the registered owners of the 2015 Certificates. If the City non-appropriates or otherwise causes a termination of the Lease before its final term, the Trustee would sell or re-let the Leased Property and/or go through a judicial foreclosure proceeding on the Leased Property to then sell the Leased Property.

(Attachment D) *Preliminary Official Statement*: Disclosure document used in marketing the 2015 Certificates.

(Attachment E) *Notice of Sale*: Contains the terms of sale of the 2015 Certificates for the bidding underwriters. Sale of the 2015 Certificates is scheduled for October 27, 2015.

Next Steps:

- October 16, 2015 - Post Preliminary Official Statement

- October 27: 10:00 a.m. Public Sale of 2015 Certificates – Bids received from underwriters for the estimated $41,000,000. Per Charter requirements, the 2015 Bonds will be awarded to the lowest bidder.

- November 17, 2015: Closing on the 2015 Certificates – All parties will have signed documents and the funds from the sale will be received.

Attachments:

A. Resolution
B. Lease Purchase Agreement
C. Mortgage and Indenture
D. Preliminary Official Statement
E. Notice of Sale

RESOLUTION NO. 140

A RESOLUTION AUTHORIZING THE ISSUANCE OF THE BOULDER MUNICIPAL PROPERTY AUTHORITY CERTIFICATES OF PARTICIPATION; AUTHORIZING THE METHOD OF SALE WITH RESPECT TO SAID CERTIFICATES; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE CONVEYANCE DOCUMENTS, A LEASE, AND AN INDENTURE; AUTHORIZING THE USE OF A NOTICE OF SALE AND PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF MISCELLANEOUS DOCUMENTS IN CONNECTION THEREWITH; DELEGATING CERTAIN DETAILS TO CERTAIN AUTHORIZED OFFICERS OF THE CORPORATION AND OTHERS; AND PROVIDING THE EFFECTIVE DATE OF THIS RESOLUTION.

WHEREAS, the City of Boulder (the "City"), in the County of Boulder and the State of Colorado (the "State"), is a municipal corporation duly organized and existing as a home rule city under Article XX of the Constitution of the State (the "Constitution") and the home rule charter of the City (the "Charter"); and

WHEREAS, The Boulder Municipal Property Authority (the "Corporation"), a nonprofit corporation that was formed in 1988 for the purpose of purchasing, leasing or otherwise acquiring real estate, property and improvements, as well as leasing, conveying, selling or transferring such real estate, property and improvements, all for the use and benefit of the residents of the City, is duly organized, validly existing and in good standing under the laws of the State of Colorado (the "State"); and

WHEREAS, the City desires to sell to the Corporation certain existing buildings and the land thereon owned by the City and consisting of the City's Public Safety Building, the East Boulder Community Center and the Park Central Building (collectively, the "Property"), and to lease the same back from the Corporation; and

WHEREAS, the Corporation desires to purchase the Property from the City by issuing its Certificates of Participation (the "Certificates") and using a portion of the proceeds therefrom for such acquisition; and

WHEREAS, in order to effect the same, the Board of Directors of the Corporation (the "Board") is desirous of (a) issuing the Certificates; (b) providing for the sale of the Certificates by means of a competitive sale through the BIDCOMP/PARITY electronic bidding system pursuant to the terms set forth in a Notice of Sale (the "Notice of Sale"); (c) receiving a conveyance of the Property through one or more special warranty deeds from the City (collectively, the "Conveyance Document"); (d) entering into a Lease Purchase Agreement with respect to the Property (the "Lease"), between the Corporation, as lessor and the City, as lessee; and (e) causing the issuance, execution and delivery of the Certificates pursuant to a Mortgage and Indenture of Trust (the "Indenture") by and between the Corporation and U.S. Bank,

National Association, as trustee (the "Trustee"), which Certificates shall evidence assignments of proportionate interest in rights to receive certain payments under the Lease; and

WHEREAS, a portion of the proceeds of the Certificates may also be used to fund reserves and pay costs of issuance of the Certificates (including the cost of insurance for the Certificates, if any), and pay other costs and expenses and capital costs related to the acquisition of the Boulder Community Hospital Broadway campus, including any legally permitted costs and expenditures in connection therewith; and

WHEREAS, the obligation of the City to pay Base Rentals and Additional Rentals under the Lease shall be from year to year only and no provision of the Certificates or the Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any fiscal year in excess of amounts appropriated for such fiscal year or for any fiscal year for which the City has not renewed the this Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Constitution or any other Charter, constitutional or statutory limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Constitution; and

WHEREAS, neither the Lease nor the Indenture, nor the execution and delivery of the Certificates, shall directly or indirectly obligate the City to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Boulder Municipal Property Authority that:

Section 1. The issuance of the Certificates in an aggregate principal amount of not to exceed $41,000,000, bearing interest at per annum rate or rates not to exceed 7.00% per annum and maturing no later than December 31, 2036 is hereby in all respects authorized and approved, and the Board hereby delegates the approval of all details of the Certificates within the parameters set forth above to the President, the Vice President or the Secretary-Treasurer (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation is hereby authorized, empowered and directed to execute and deliver the Certificates, and the Secretary-Treasurer of the Corporation is authorized to attest and affix the seal of the Corporation to the same, in one or more series in form and substance as such Authorized Officers shall deem to be necessary, desirable or appropriate, the execution and delivery thereof by one of the Authorized Officers to constitute conclusive approval thereof. The Certificates are being issued pursuant to the Corporation's organizational documents and the Supplemental Public Securities Act, Title 11, Article 57, Part 2 C.R.S. (the "Supplemental Act"). This Resolution constitutes an act of issuance under the Supplemental Act and the Corporation elects to apply the provisions of the Supplemental Act to this Resolution.

Section 2. The Certificates shall be sold by a competitive sale through the BIDCOMP/PARITY electronic bidding system to the responsible bidder bidding the lowest actuarial yield on the Certificates, as an Authorized Officer shall deem in the best interests of the Corporation. Any Authorized Officer of the Corporation is hereby authorized, empowered and

directed to execute and deliver a winning bidder certificate and a sale certificate (the "Sale Certificate") in connection with the sale of the Certificates, in form and substance as such person executing the same shall deem to be necessary, desirable or appropriate, the execution and delivery thereof by one of the Authorized Officers to constitute conclusive evidence of the approval thereof.

Section 3. The execution and delivery of the Conveyance Document, the Lease, and the Indenture are hereby in all respects authorized and approved and any one of the Authorized Officers of the Corporation is authorized, empowered and directed to execute and deliver the Conveyance Document, the Lease, and the Indenture prior to or simultaneously with the issuance of the Certificates, for and on behalf of the Corporation, in form and content as such Authorized Officer shall deem to be necessary, desirable or appropriate, execution thereof by an Authorized Officer to constitute conclusive evidence of the approval thereof.

Section 4. The Board hereby approves the distribution and use in connection with the offering of the Certificates a Notice of Sale, Preliminary Official Statement and final Official Statement in form and substance as the Mayor, the City Manager or the Chief Financial Officer of the City shall approve; and an Authorized Officer is hereby authorized, directed and empowered to execute the Notice of Sale and the final Official Statement, the execution thereof to constitute conclusive evidence of the approval thereof.

Section 5. Any Authorized Officer is hereby authorized, directed and empowered to executive and deliver any and all additional agreements, certificates, documents, opinions or other papers and perform all other acts, including, without limitation, the filing of any financing statements or any other documents to create and maintain a lien or security interest in the properties and revenues pledged under the Indenture as may be required by the documents contemplated above or as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this resolution.

Section 6. The delegations contained herein to the Authorized Officers of the Corporation shall remain in effect to the date of the issuance of the Certificates and the execution and delivery of the Lease and the Indenture.

Section 7. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 8. This resolution shall take effect immediately upon its introduction and passage.

INTRODUCED, READ, PASSED AND ADOPTED this 15th day of September, 2015.

[SEAL]

By _____
President
The Boulder Municipal Property Authority

ATTEST:

By _____
Secretary-Treasurer
The Boulder Municipal Property Authority

LEASE PURCHASE AGREEMENT

by and between

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
as Lessor

and

CITY OF BOULDER, COLORADO,
as Lessee

Dated as of November 1, 2015

The interest of The Boulder Municipal Property Authority (the "Corporation") in this Lease Purchase Agreement has been assigned to U.S. Bank National Association, Denver, Colorado, as trustee (the "Trustee") under the Mortgage and Indenture of Trust dated as of the date hereof between the Corporation and the Trustee and is subject to the security interest of the Trustee.

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LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT (this "Lease") is dated as of November 1, 2015 and is entered into by and between **THE BOULDER MUNICIPAL PROPERTY AUTHORITY** (the "Corporation"), a nonprofit corporation duly organized and validly existing under the laws of the State of Colorado, as lessor, and the **CITY OF BOULDER, COLORADO** (the "City"), a municipal corporation duly organized and existing as a home rule city under Article XX of the constitution of the State of Colorado (the "State") and the Charter of the City (the "Charter"), as lessee.

W I T N E S S E T H :

WHEREAS, the City (a) is a municipal corporation duly organized and existing as a home rule city under Article XX of the constitution of the State and the Charter of the City, (b) contemporaneously herewith, has (i) sold to the Corporation the Leased Property, (ii) caused a portion of the purchase price thereof to be deposited into the Acquisition Property Fund for application by the City to the purchase of the Acquisition Property or otherwise as provided herein and in the Indenture, and (iii) leased the Leased Property from the Corporation in accordance with this Lease; and (c) is authorized under the constitution and laws of the State, including the Charter of the City, to execute, deliver and perform its obligations under this Lease; and

WHEREAS, the Corporation (a) is a nonprofit corporation that is duly organized, validly existing and in good standing under the laws of the State; (b) is duly qualified to do business in the State; and (c) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to acquire the Leased Property, to lease the Leased Property to the City, and to execute, deliver and perform its obligations under this Lease; and

WHEREAS, in order to finance the acquisition of the Leased Property (net proceeds of which are to be applied by the City as described above), the Certificates will be issued pursuant to the Indenture between the Corporation and the Trustee, and the Corporation will assign to the Trustee all of the Corporation's right, title and interest in, to and under this Lease and will mortgage and grant a security interest in the Leased Property to the Trustee; and

WHEREAS, this Lease is a "triple-net" lease requiring the City to pay, among other things, all expenses, taxes, if any, fees, insurance and costs associated with the Leased Property; and

WHEREAS, the Base Rentals and Additional Rentals payable by the City hereunder shall constitute currently appropriated expenditures of the City, shall not constitute a mandatory charge or requirement against the City in any ensuing budget year, and shall not constitute a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of any constitutional or statutory or Charter limitation or requirement, nor a mandatory payment obligation of the City in any Fiscal Year (defined herein) beyond the Fiscal Year for which such payments have been appropriated; and

WHEREAS, the Certificates of the Corporation shall evidence undivided interests in the right to receive Lease Revenues, shall be payable solely from the Trust Estate and no provision of the Certificates, the Indenture or this Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year or for any Fiscal Year for which the City has not renewed the this Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the constitution of the State or any other Charter, constitutional or statutory limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the constitution of the State;

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used herein and defined in the Indenture shall have the same meanings in this Lease. In addition, the following capitalized terms shall have the following meanings in this Lease including the preambles hereto:

"*Additional Rentals*" means the costs and expenses incurred by the City in performing its obligations under this Lease with respect to the Leased Property, this Lease, the Indenture, the Certificates and any matter related thereto; the costs and expenses incurred by the City in paying the reasonable expenses of the Corporation and the reasonable fees and expenses of the Trustee pursuant to Section 10.05 hereof; and all other costs and expenses incurred by the City in connection with the foregoing; provided, however, that Additional Rentals do not include the Base Rentals or the Purchase Option Price.

"*Base Rentals*" means the payments by the City pursuant to Section 6.01 hereof, for and in consideration of the right to use the Leased Property during the Lease Term.

"*Base Rentals Payment Date*" means each April 25 and October 25, commencing April 25, 2016, as more particularly set forth in Exhibit B hereto, as from time to time amended or supplemented.

"*Business Day*" means any day other than a Saturday, a Sunday or a day on which banks in New York, New York or Denver, Colorado are authorized by law to remain closed.

"Certificates" means The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015, evidencing undivided interests in the right to receive certain revenues payable by the City under this Lease.

"*Charter*" means the home rule charter of the City, and any amendments or supplements thereto.

"*City*" means the City of Boulder, Colorado or any successor thereto.

"*City Council*" means the City Council of the City or any successor to its functions.

"*City Representative*" means the Chief Financial Officer of the City, and any other person designated in writing by the Chief Financial Officer of the City to act on behalf of the City for the purposes of performing any act under this Lease and the Indenture by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person and signed by the Chief Financial Officer of the City. The identity of the City Representative may be changed by the City from time to time by furnishing a new certificate to the Corporation and the Trustee.

"*Contaminant*" means any waste, pollutant or hazardous substance, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. § 9601, et seq., regulations promulgated thereunder and any applicable state statutes; any toxic substance, solid or hazardous waste as defined in the Resource Conservation and Recovery Act as amended, 42 U.S.C. § 6901, et seq., and any applicable state statutes; special waste; petroleum or petroleum-derived substance; radioactive material or waste; polychlorinated biphenyls (PCBs); asbestos; or any constituent of any such substances or wastes.

"*Corporation*" means The Boulder Municipal Property Authority, or any successor thereto.

"*Corporation Representative*" means the President, the Vice President or the Secretary-Treasurer of the Corporation, and any other person designated in writing by any one of the foregoing to act on behalf of the Corporation under this Lease by a written certificate furnished to the City and the Trustee containing the specimen signature of such person and signed by the President, the Vice President or the Secretary-Treasurer of the Corporation. The identity of the Corporation Representative may be changed by the Corporation from time to time by furnishing a new certificate to the City and the Trustee.

"*Environmental Regulation*" means any federal, state or local law, statute, code, ordinance, regulation or rule relating to dangerous, toxic or hazardous pollutants, contaminants, chemical waste, materials or substances.

"*Event of Default*" means an event described in Section 12.01 hereof.

"*Event of Nonappropriation and Nonrenewal*" means an event described in Section 6.04(a) hereof.

"*Final Renewal Term*" means the last term for which the City may renew this Lease, which is the term beginning January 1, 2036 and November 1, 2036. All references herein to the renewal by the City of this Lease for the succeeding Fiscal Year shall, with respect to the Final Renewal Term, be deemed to refer to renewal of this Lease for such eleven month period.

"*Fiscal Year*" means the City's fiscal year, which begins on January 1 of each year and ends on December 31 of each year.

"*Force Majeure*" means any event that is not within the control of the City, including without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents affecting machinery, transmission pipes or canals.

"*Governmental Corporation*" means any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*Hazardous Substances*" means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances as defined in Environmental Regulations, and also any urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner or mortgagee or any Owners to any damages, penalties or liabilities under any applicable Environmental Regulation.

"*Indenture*" means the Mortgage and Indenture of Trust dated as of the date hereof between the Corporation and the Trustee and any amendment or supplement thereto.

"*Independent Counsel*" means an attorney duly admitted to the practice of law before the highest court in the State and who is not an employee of the Corporation, the City or the Trustee.

"*Lease*" means this Lease Purchase Agreement and any amendment or supplement hereto.

"*Lease Term*" means the term when this Lease shall be in effect, including the initial term and any succeeding lease terms, all as provided in Section 4.01 hereof.

"*Leased Property*" means the buildings, the site improvements and the real property described in Exhibit A hereto, less any property released in accordance with Section 8.03 hereof, or condemned or replaced as provided in Section 8.06 hereof, plus any real property substituted pursuant to Section 8.03(c) hereof.

"*Net Proceeds*" means (a) the gross proceeds received from any event referred to in Section 8.06(a) hereof, minus (b) all expenses incurred in the collection of such gross proceeds or award.

"*Permitted Encumbrances*" means, as of any particular time, (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pursuant to Section 8.02(b) hereof; (b) this Lease and the Indenture; (c) easements, licenses, rights-of-way, rights and privileges, restrictions and exceptions set forth in the title insurance commitment provided by _____, including easements granted pursuant to Section 8.03 hereof; (d) any financing statements filed to perfect security interests granted pursuant to this Lease or granted by the Corporation to the Trustee; (e) any encumbrance represented by financing statements filed to perfect purchase money security interests in any portion of or all of the Leased Property;

(f) any claim filed pursuant to C.R.S. § 38-26-107; (g) any applicable zoning requirements; and (h) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Leased Property and as do not, in the opinion of the Corporation and the Trustee, materially impair title to the Leased Property.

"*Person*" means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

"*Purchase Option Price*" means the amount required to be paid to purchase the interest of the Corporation in the Leased Property pursuant to Section 9.01 hereof.

"*Purchaser*" means the City, in the event that it has exercised its option to purchase the Leased Property in accordance with Article IX hereof.

"*Release*" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the Leased Property, including, but not limited to, the movement of Contaminants through or in the air, soil, surface water, groundwater or the Leased Property and the abandonment or discard of barrels, containers and other open or closed receptacles containing any Contaminant.

"*Renewal Certificate*" means a certificate of the City in the form set forth in Exhibit C hereto, which Renewal Certificate shall be delivered to the Trustee on or prior to December 31 of any Fiscal Year in accordance with Section 6.04 hereof.

"*Renewal Term*" means the twelve-month period, commencing on January 1 of each year and ending on December 31 of such year, for which the City renews the Lease Term, provided that the Final Renewal Term shall have the meaning ascribed thereto herein.

"*Requirement of Law*" means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any Governmental Corporation relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety issues.

"*State*" means the State of Colorado.

"*Trustee*" means U.S. Bank National Association, Denver, Colorado, or any successor thereto, in its capacity as Trustee under the Indenture.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties by Corporation. The Corporation represents, covenants and warrants that:

(a) The Corporation (i) is a nonprofit corporation that is organized, validly existing and in good standing under the laws of the State, (ii) is duly qualified to do business in the State, and (iii) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to own the Leased Property, to lease the Leased Property to the City and to execute, deliver and perform its obligations hereunder and under the Indenture.

(b) The execution, delivery and performance of this Lease by the Corporation has been duly authorized by the Corporation.

(c) This Lease is enforceable against the Corporation in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the constitution of the United States of America.

(d) The execution, delivery and performance of the terms of this Lease by the Corporation does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Lease or the Indenture, or result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Corporation.

(e) There is no litigation or proceeding pending or threatened against the Corporation or any other Person affecting the right of the Corporation to execute, deliver or perform its obligations under this Lease.

(f) The Corporation acknowledges and recognizes that this Lease may not be renewed by the City and therefore terminates upon the occurrence of an Event of Nonappropriation and Nonrenewal, and that a failure by the City to appropriate funds and renew this Lease in a manner that results in an Event of Nonappropriation and Nonrenewal is solely within the discretion of the City Council of the City.

Section 2.02. Representations, Covenants and Warranties by City. The City represents, covenants and warrants that:

(a) The City is a municipal corporation duly organized and existing as a home rule city under Article XX of the constitution of the State and the Charter of the City. The City is authorized to enter into the transactions contemplated by this Lease and to execute, deliver and perform its obligations hereunder.

(b) The lease of the Leased Property from the Corporation pursuant to this Lease serves a public purpose and is in the best interests of the City and its residents.

(c) The execution, delivery and performance of this Lease by the City has been duly authorized by the City.

(d) This Lease is enforceable against the City in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the constitution of the United States of America.

(e) The execution, delivery and performance of the terms of this Lease by the City does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Lease or the Indenture, or result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the City.

(f) There is no litigation or proceeding pending or threatened against the City or any other Person affecting the right of the City to execute, deliver or perform its obligations of the City under this Lease.

(g) The Base Rentals payable in each Fiscal Year during the Lease Term are not more than fair value for the use of the Leased Property during such Fiscal Year. The Base Rentals and Additional Rentals payable in each Fiscal Year during the Lease Term do not exceed a reasonable amount for such use so as to place the City under an economic compulsion (i) to renew this Lease beyond any Fiscal Year, (ii) not to exercise its right to terminate this Lease at any time through an Event of Nonappropriation and Nonrenewal or (iii) to exercise any of its options to purchase the Leased Property hereunder. The Purchase Option Price is the City's best estimate of the fair purchase price of the Leased Property at the time of exercise of the City's option to purchase the Leased Property by paying the Purchase Option Price. The Lease Term, if continued through the Final Renewal Term, and the final maturity of the Certificates does not exceed the weighted average useful life of the Leased Property. In making the representations, covenants and warranties set forth above in this subsection, the City has given due consideration to the Leased Property, the purposes for which the Leased Property will be used by the City, the benefits to the City from the use of the Leased Property, the City's options to purchase the Leased Property hereunder and the terms of this Lease governing the use of, and the City's options to purchase, the Leased Property.

(h) The City is not aware of any current violation of any Requirement of Law relating to the Leased Property.

(i) While no Base Rentals are due in the current Fiscal Year, the City has appropriated sufficient moneys to pay Base Rentals payable in Fiscal Year 2016, and to pay the Additional Rentals estimated to be payable in the current Fiscal Year, if any, and

estimated to be payable in Fiscal Year 2016 and, upon commencement of the Lease Term, such moneys will be encumbered to pay such Base Rentals and Additional Rentals.

ARTICLE III

DEMISING CLAUSE; ENJOYMENT OF LEASED PROPERTY

Section 3.01. Demising Clause. The Corporation demises and leases the Leased Property to the City in accordance with the terms of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

Section 3.02. Enjoyment of Leased Property. The Corporation covenants that, during the Lease Term and so long as no Event of Default shall have occurred, the City shall peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Corporation, except as expressly required or permitted by this Lease.

ARTICLE IV

LEASE TERM; TERMINATION OF LEASE

Section 4.01. Lease Term. This Lease shall commence on the date the Certificates are issued, and shall terminate on December 31, 2015, unless extended and renewed for up to 21 successive one-year renewal terms each ending on December 31 of each year except that this Lease shall terminate within any such one-year period upon the earliest of any of the following events (and provided that the Final Renewal Term is not to exceed November 1, 2036):

(a) the last day of the month in which the final Base Rental payment is scheduled to be paid in accordance with Exhibit B hereto;

(b) December 31 of any Fiscal Year during which an Event of Nonappropriation and Nonrenewal has occurred;

(c) the purchase of all of the Leased Property by the City pursuant to Section 9.01 hereof; or

(d) termination of this Lease following an Event of Default in accordance with Section 12.02(a) hereof.

Section 4.02. Effect of Termination of Lease Term. Upon termination of the Lease Term:

(a) All unaccrued obligations of the City hereunder shall terminate, but all obligations of the City that have accrued hereunder prior to such termination shall continue until they are discharged in full; and

(b) If the termination occurs because of the occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default, the City's right to possession

of the Leased Property hereunder shall terminate and (i) the City shall immediately vacate the Leased Property, and (ii) if and to the extent the City Council of the City has appropriated funds for payment of Base Rentals and Additional Rentals payable during, or with respect to the City's use of the Leased Property during, the period between termination of the Lease Term and the date the Leased Property is vacated, the City shall pay such Base Rentals and Additional Rentals to the Corporation or, in the case of Additional Rentals, the other Person entitled thereto.

ARTICLE V

THE LEASED PROPERTY

Section 5.01. Acquisition of the Leased Property. A portion of the proceeds of the Certificates were applied by the Corporation to the acquisition of the Leased Property, which the Corporation owns as of the date of execution of this Lease.

Section 5.02. No Warranty as to Suitability. The Corporation makes no representation as to the adequacy or suitability of the Leased Property for the City's intended use.

ARTICLE VI

BASE RENTALS AND ADDITIONAL RENTALS; EVENT OF NONAPPROPRIATION AND NONRENEWAL

Section 6.01. Payment of Base Rentals.

(a) The City shall, subject only to the other Sections of this Article, pay Base Rentals directly to the Trustee during the Lease Term in immediately available funds in the amounts and on the Base Rentals Payment Dates set forth in Exhibit B hereto, as it may be modified from time to time; provided, however, that there shall be credited against the amount of Base Rentals payable on any Base Rentals Payment Date the amount on deposit in the Debt Service Fund representing (i) earnings from the investment of moneys in the Debt Service Fund, (ii) moneys transferred from the Costs of Issuance Fund pursuant to the Indenture, and (iii) any moneys delivered to the Trustee by the Corporation, the City or any other Person that are accompanied by instructions to apply the same to the payment of Base Rentals or to deposit the same in the Debt Service Fund. On the April 1 or October 1 prior to each Base Rentals Payment Date, the Trustee shall notify the City as to the exact amounts that will be credited against the Base Rentals due on such date. If further amounts that are to be credited against Base Rentals accrue between those dates and the next succeeding Base Rentals Payment Date, such amounts shall be carried over to be applied as a reduction of the Base Rentals payable on the next succeeding Base Rentals Payment Date.

(b) A portion of each payment of Base Rentals is paid as, and represents payment of, interest, and Exhibit B hereto, as it may be amended and supplemented from

time to time, sets forth the principal and interest component of each payment of Base Rentals.

Section 6.02. Payment of Additional Rentals. The City shall, subject only to Sections 7.01(b) and 8.02(b) hereof and the other Sections of this Article, pay Additional Rentals directly to the Persons to which they are owed in immediately available funds in the amounts and on the dates on which they are due.

Section 6.03. Unconditional Obligations.

(a) The obligation of the City to pay Base Rentals during the Lease Term shall, subject only to the other Sections of this Article, and the obligation of the City to pay Additional Rentals during the Lease Term shall, subject to Sections 7.01(b) and 8.02(b) hereof and the other Sections of this Article, be absolute and unconditional and shall not be abated for any reason related to the Leased Property. Notwithstanding any dispute between the City and the Corporation or between the City or the Corporation and any other Person relating to the Leased Property, the City shall, during the Lease Term, make all payments of Base Rentals and Additional Rentals when due; payments of Base Rentals and Additional Rentals are deemed to be "triple-net" and the City shall not withhold any Base Rentals or Additional Rentals payable during the Lease Term pending final resolution of any dispute and shall not assert any right of set-off or counter-claim against its obligation to pay Base Rentals or Additional Rentals, provided, however, that the making of any Base Rental or Additional Rental payment shall not constitute a waiver by the City of any rights, claims or defenses which the City may assert; and no action or inaction on the part of the Corporation shall affect the City's obligation to pay Base Rentals or Additional Rentals during the Lease Term.

(b) So long as this Lease is in effect, the officer of the City who is responsible for formulating budget proposals with respect to payments of Base Rentals and Additional Rentals is hereby directed (i) to estimate the Additional Rentals payable in the next ensuing Fiscal Year prior to the submission of each annual budget proposal to the City Council during the Lease Term; (ii) to include in each annual budget proposal submitted to the City Council during the Lease Term the entire amount of Base Rentals scheduled to be paid and the Additional Rentals estimated to be payable during the next ensuing Fiscal Year; it being the intention of the City that any decision to appropriate Base Rentals and Additional Rentals and to renew this Lease shall be made solely by the City Council, in its sole discretion, and not by any other department, agency or official of the City; and (iii) after such appropriation and renewal, to deliver or cause to be delivered a Renewal Certificate in the form attached as Exhibit C hereto to the Trustee by December 31 of that Fiscal Year.

Section 6.04. Event of Nonappropriation and Nonrenewal.

(a) An Event of Nonappropriation and Nonrenewal shall be deemed to have occurred:

(i) On December 31 of any Fiscal Year if the City has, on such date, failed, for any reason, to provide a Renewal Certificate to the Trustee for the succeeding Fiscal Year and failed, for any reason, to appropriate sufficient amounts authorized and directed to be used to pay all Base Rentals scheduled to be paid and all Additional Rentals estimated to be payable in the next ensuing Fiscal Year; and

(ii) If

(A) An event described in Section 8.06(a) hereof has occurred,

(B) The Net Proceeds received as a consequence of such event are not sufficient to repair, restore, modify, improve or replace the Leased Property in accordance with Section 8.06 hereof, and

(C) The City has not appropriated amounts sufficient to proceed under clause (i) of Section 8.06(c) hereof by December 31 of the Fiscal Year in which such event occurred or by December 31 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property becomes apparent, on December 31 of the Fiscal Year in which such event occurred or on December 31 of any subsequent Fiscal Year in which such insufficiency became apparent, as applicable.

(b) Notwithstanding subsection (a) of this Section, the Corporation may, with the consent of the Trustee, waive any such failure to appropriate and renew under subsection (a) of this Section which is cured by the City within a reasonable period of time.

(c) In the event that the City shall determine not to renew this Lease for the subsequent Fiscal Year, the City shall give written notice to such effect to the Corporation and the Trustee not later than December 31 of such Fiscal Year or earlier to the extent the City determines at an earlier date not to renew this Lease; provided, however, that a failure to give such notice shall not (i) constitute an Event of Default, (ii) prevent the City from failing to renew this Lease or (iii) result in any liability on the part of the City.

(d) The City shall furnish the Corporation and the Trustee with copies of all renewal measures and appropriation measures relating to Base Rentals, Additional Rentals or the Purchase Option Price promptly upon the adoption thereof by the City Council of the City.

Section 6.05. Limitations on Obligations of City.

(a) Payment of Base Rentals and Additional Rentals by the City shall constitute currently appropriated expenditures of the City and may be paid from any legally available funds.

(b) The City's obligations under the Lease shall be of no further force and effect if the City fails to renew this Lease upon the occurrence of an Event of Nonappropriation and Nonrenewal.

(c) No provision of the Certificates, the Indenture or this Lease, shall be construed or interpreted (i) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the constitution of the State, the Charter or any other constitutional or statutory limitation or provision; or (iii) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the constitution of the State.

(d) The City shall be under no obligation whatsoever to exercise its option to purchase the Leased Property or renew this Lease.

(e) No provision of this Lease shall be construed to pledge or to create a lien on any class or source of moneys of the City, nor shall any provision of this Lease restrict the future issuance of any obligations of the City, payable from any class or source of moneys of the City.

ARTICLE VII

OPERATION AND MAINTENANCE OF LEASED PROPERTY

Section 7.01. Taxes and Utilities and Insurance.

(a) The City shall pay, as Additional Rentals, all of the following expenses with respect to the Leased Property:

(i) All taxes, if any, assessments and other charges lawfully made by any governmental body, provided that any such taxes, assessments or other charges that may lawfully be paid in installments may be paid in installments as such installments are due;

(ii) All gas, water, steam, electricity, heat, power and other utility charges incurred in connection with the Leased Property;

(iii) Casualty and property damage insurance with respect to the Leased Property in an amount equal to at least the full replacement value of the Leased Property; and

(iv) Public liability insurance, through one or more private or public insurance companies or through a self-insurance program, with respect to the activities to be undertaken by the City in connection with the Leased Property, and this Lease: (A) to the extent such activities result in injuries for which immunity is available under Section 24-10-114, C.R.S. or any successor statute, in an amount not less than the amounts for which the City may be liable to third parties thereunder and (B) for all other activities, in an amount not less than $250,000 per occurrence.

(b) The City shall not allow any liens for taxes, assessments, other governmental charges or utility charges to exist with respect to any portion of the Leased Property. If the City shall first notify the Corporation and the Trustee of the intention of the City to do so, the City may, however, in good faith contest any such tax, assessment, other governmental charge or utility charge and, in the event of any such contest, may permit the tax, assessment, other governmental charge or utility charge so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Trustee shall notify the City that, in the opinion of Independent Counsel, whose fees and expenses shall be paid by the City from Additional Rentals appropriated for the Fiscal Year in which such fees and expenses are due, by nonpayment of any such item the interest of the Trustee in the Leased Property will be materially interfered with or endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture, in which event such tax, assessment, other governmental charge or utility charge shall be paid forthwith; provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, other governmental charge or utility charge. At the request of the City, the Corporation and the Trustee will cooperate fully with the City in any such contest.

(c) The insurance policies provided pursuant to subsection (a) of this Section may be provided by one or more private or public insurance companies or organizations, or may be provided through a self-insurance program, subject to the following conditions:

(i) If the insurance is provided by a private or public insurance company or organization:

(A) the insurance policy (1) shall have a deductible clause in an amount not in excess of the amounts reasonably expected to be available to the City to pay such deductible in the event of an insured event, (2) shall name the City, the Corporation, and the Trustee as insureds, (3) shall be so written or endorsed as to make losses, if any, payable to the City, the Corporation and the Trustee, as their respective interests may appear, (4) shall explicitly waive any co-insurance penalty and (5) shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the City, the Corporation or the Trustee without first giving written notice thereof to the City, the Corporation and the Trustee at least 10 days in advance of such cancellation or modification;

(B) a copy of each such insurance policy, or of each certificate evidencing such policy, shall be delivered to the Trustee prior to the issuance of the Certificates, and the City shall deliver to the Trustee a certification letter signed by a City Representative annually on or before January 1st stating that the City has complied with the insurance requirements set forth in this Article VII of the Lease; the Trustee shall have no responsibility for the monitoring, renewing or receiving of the insurance or documents pertaining thereto except as provided in this Article VII of the Lease and further the Trustee shall have no responsibility for the sufficiency of the insurance required hereunder;

(C) full payment of insurance proceeds under any casualty or property damage insurance policy up to the dollar limit required by subsection (a)(iii) of this Section in connection with damage to the Leased Property shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the City or the Corporation; and

(D) the City may insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other properties as well, as long as such blanket insurance policies comply with the requirements hereof; provided, however, that notwithstanding any other provision of this Section 7.01, the requirements of Section 7.01(a)(iii) hereof shall be deemed satisfied by blanket insurance policy number NHT392088 issued by RSUI Indemnity Company (the "Current Policy"), and shall continue to be deemed satisfied in the future so long as the City maintains a blanket insurance policy in amounts equal to at least the amounts of coverages set forth in the Current Policy and with deductibles not to exceed the amounts set forth in the Current Policy, which subsequent policies may be issued by RSUI Indemnity Company or another company.

(ii) If the insurance is provided through a self-insurance program maintained by the City, an independent insurance consultant acceptable to the Corporation shall initially and annually certify to the Corporation and the Trustee that (1) the reserves supporting such self-insurance program are held by an independent custodian or trustee and are adequate for the purposes of such program and (2) such self-insurance program is maintained on an actuarially sound basis.

Section 7.02. Maintenance and Operation of Leased Property. The City shall maintain, preserve and keep the Leased Property, or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, subject to normal wear and tear, if any; shall operate the Leased Property, or cause the Leased Property to be operated, in an efficient manner and at a reasonable cost; and shall make or cause to be made all necessary and proper repairs, if any, except as otherwise provided in Section 8.05 and Section 8.06 hereof.

ARTICLE VIII

TITLE, ENCUMBRANCES, MODIFICATIONS OR ADDITIONS TO LEASED PROPERTY OR CONDEMNATION OF LEASED PROPERTY

Section 8.01. Title to Leased Property. Except for personal property purchased by the City at its own expense pursuant to Section 8.08 of this Lease, title to the Leased Property and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Corporation, subject to this Lease, until liquidated, conveyed or otherwise disposed of as provided in Article XII of this Lease, notwithstanding (a) nonrenewal of this Lease by the City by reason of an Event of Nonappropriation and Nonrenewal as provided in Section 6.04 of this Lease; (b) the occurrence of one or more Events of Default as defined in Section 12.01 of this Lease; (c) the occurrence of any event of damage, destruction, condemnation, or title defect, as provided in Section 8.06 of this Lease; or (d) the violation by the Corporation (or by the Trustee as assignee of the Corporation pursuant to the Indenture) of any provision of this Lease.

The City shall have no right, title or interest in the Leased Property or any additions, modifications and improvements thereto, except as expressly set forth in this Lease.

Section 8.02. Limitations on Disposition of and Encumbrances on Leased Property.

(a) Except as otherwise permitted in this Article or Articles IX or XIII hereof and except for Permitted Encumbrances, (i) none of the Corporation, the City or the Trustee, shall sell, assign, transfer or convey any portion of or any interest in the Leased Property or directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property; and (ii) the City shall promptly take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim.

(b) Notwithstanding subsection (a) of this Section, if the City shall first notify the Corporation and the Trustee of the intention of the City to do so, the City may in good faith contest any such mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, and in the event of any such contest, may permit the item so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Corporation or the Trustee shall notify the City that, in the opinion of Independent Counsel, whose fees shall be paid by the City as Additional Rentals, by failing to discharge or satisfy such item the interest of the Corporation or the Trustee in the Leased Property will be materially interfered with or endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event such item shall be satisfied and discharged forthwith; provided, however, that such satisfaction and discharge shall not constitute a waiver by the City of the right to continue to contest such item. At the request of the City, the Corporation and the Trustee will cooperate fully with the City in any such contest.

Section 8.03. Granting of Easements, Release and Substitution of Leased Property. As long as no Event of Nonappropriation and Nonrenewal or Event of Default shall have happened and be continuing:

(a) The Corporation and the Trustee shall, at the request of the City, consent to the grant of easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property included in the Leased Property, free from this Lease and any security interest or other encumbrance created hereunder or under the Indenture;

(b) The Corporation and the Trustee shall, at the request of the City, release existing easements, licenses, rights-of-way and other rights and privileges with respect to the Leased Property, free from this Lease and the Indenture and any security interest or other encumbrance created hereunder or thereunder, with or without consideration;

(c) The Trustee shall release any portion of the Leased Property, and shall execute all documents necessary or appropriate to reconvey such portion of the Leased Property to the City, free of all restrictions and encumbrances imposed or created by this Lease or the Indenture, upon receipt by the Trustee of the following: (a) a written request of the City Representative for such reconveyance, describing the portion of the Leased Property to be reconveyed; (b) a certificate of the City Representative certifying (i) the fair market value of the portion of the Leased Property to be reconveyed and of any real property to be substituted for the portion of the Leased Property to be released; (ii) the disposition to be made of the portion of the Leased Property to be reconveyed and the consideration, if any, to be received therefor; (iii) that the disposition of the portion of the Leased Property to be reconveyed and the substitution therefor of the real property to be substituted for the portion of the Leased Property to be released (if any) will not materially adversely affect the ability of the City to operate the Leased Property or to fulfill its obligations under this Lease; (iv) that any real property to be substituted for the portion of the Leased Property to be reconveyed is necessary or useful to the operation of the Leased Property; and (v) that the fair market value of any real property to be substituted for the portion of the Leased Property to be reconveyed, together with cash to be paid by the City to the Trustee, if any, is at least equal to the fair market value of the portion of the Leased Property to be reconveyed; (c) appraisals of the fair market value of the portion of the Leased Property to be reconveyed and any real property to be substituted for the portion of the Leased Property to be reconveyed, respectively, by a certified general appraiser licensed as such in the State and not an employee of the City or the Corporation; and (d) supplements and amendments to this Lease and the Indenture and any other documents necessary to subject any real property to be substituted for the portion of the Leased Property to be reconveyed to the lien of the Indenture. The City agrees that any cash paid to the Trustee pursuant to the provisions of this Section 8.03(c) shall be deposited into the Principal Account of the Debt Service Fund.

(d) Notwithstanding Section 9.01 hereof providing for the purchase by the City of all, but not less than all, of the Leased Property, to the extent the principal amount of the Certificates is reduced by any combination of payment of the principal component of Base Rentals paid by the City, partial redemptions or defeasance of portions of the

Certificates pursuant to Section 10.01 of the Indenture, then the value of the Leased Property set forth in Exhibit D (or of any property substituted for such portion of the Leased Property pursuant to any provision of this Lease) other than the Leased Property designated in Exhibit D as the "Public Safety Building" shall be deemed to have been amortized by such amount and the City shall have the right if and to the extent applicable to have those portions of the Leased Property (other than the "Public Safety Building") with a value (as shown in Exhibit D) equal to or less than the paid down principal of the COPs released from this Lease and the Indenture at the written request of the City, and upon such request and satisfaction of the other conditions contained in this Section 8.03(d), the Trustee shall execute and deliver to the City all documents necessary to convey and transfer such portion of the Leased Property (or any property substituted for such portion of the Leased Property pursuant to any provision of this Lease) to the City, provided, however, that the fair value of the remaining Leased Property must be at least equal to 100% of the aggregate principal amount of the Certificates then Outstanding, as certified to by the City Representative at the time of the release. The Trustee and the Corporation shall execute and deliver to the City all documents necessary or appropriate to convey and release their respective interests in such portion of the Leased Property to the City, free of all restrictions and encumbrances imposed or created by this Lease or the Indenture, in substantially the manner provided in Section 9.03 hereof. After such release and conveyance, the property so released and conveyed shall no longer be a part of the Leased Property for any purpose of this Lease or the Indenture. The Corporation and the Trustee shall fully cooperate with the City in executing, delivering and recording, at the City's expense, such documents as may be necessary to effectuate the provisions of this Section.

(e) The Corporation and the Trustee shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any easement, license, right-of-way or other grant or privilege under subsection (a) or (b) of this Section, upon receipt of: (i) a copy of the instrument of grant or release and (ii) a written application signed by the City Representative requesting such instrument and stating that such grant or release will not materially adversely affect the value, or interfere with the effective use or operation, of the Leased Property.

Section 8.04. Subleasing by City. All or any part of the Leased Property maybe subleased by the City upon satisfaction of the following conditions:

(a) This Lease, and the obligations of the City hereunder, shall remain obligations of the City, and the City shall maintain its direct relationship with the Corporation, notwithstanding any sublease;

(b) Except for subleases with respect to less than 5% of the aggregate square footage of the Leased Property consisting of space that does not adversely affect the City's utilization of the remainder of the Leased Property, the Corporation and the Trustee consent to such sublease, which consent shall not be unreasonably withheld; and

(c) No sublease shall extend beyond the Fiscal Year in which it becomes effective unless the City shall have the right to terminate such sublease without penalty if this Lease is terminated or upon an Event of Nonappropriation and Nonrenewal.

Section 8.05. Modification of Leased Property. The City, at its own expense (or any tenant of the City at its own expense if permitted by the applicable sublease), may make additions, modifications or improvements to, the Leased Property, provided that (i) such additions, modifications and improvements (A) shall not in any way damage the Leased Property as it existed prior thereto and (B) shall become part of the Leased Property owned by the Corporation; (ii) the value of the Leased Property after such additions, modifications and improvements shall be at least as great as the value of the Leased Property prior thereto; and (iii) the Leased Property, after such additions, modifications and improvements, shall continue to be used as provided in and shall otherwise be subject to the terms of this Lease.

Section 8.06. Damage, Condemnation of or Loss of Title to Leased Property.

(a) If (i) the Leased Property (or any portion thereof) is destroyed or damaged by fire or other casualty, (ii) title to, or the temporary or permanent use of, the Leased Property (or any portion thereof) or the estate of the City, the Corporation or the Trustee in the Leased Property (or any portion thereof), is taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, (iii) a breach of warranty or any material defect with respect to the Leased Property (or any portion thereof) becomes apparent or (iv) title to or the use of the Leased Property (or any portion thereof) is lost by reason of a defect in the title thereto, then, the Net Proceeds of any insurance, performance bond or condemnation award or the Net Proceeds received as a consequence of any default or breach of warranty under any contract relating to the Leased Property shall be deposited into a special trust fund or account to be established and held by the Trustee.

(b) If the costs of the repair, restoration, modification, improvement or replacement of the Leased Property following an event described in subsection (a) of this Section are equal to or less than the Net Proceeds available, such Net Proceeds shall be used promptly (i) to repair, restore, modify, improve or replace the Leased Property (or portion thereof) and any excess shall be delivered to the City, (ii) to optionally redeem Certificates pursuant to Section 4.03 of the Indenture to the extent Certificates may then be redeemed or (iii) to pay, together with other moneys available therefor, the Purchase Option Price.

(c) If the costs of the repair, restoration, modification, improvement or replacement of the Leased Property following an event described in subsection (a) of this Section are more than the amount of Net Proceeds available, then:

(i) The City may elect either

(A) To use the Net Proceeds promptly to repair, restore, modify or improve or replace the Leased Property (or portion thereof) with property of a value equal to or in excess of the value of the Leased

Property (or applicable portion thereof), and pay (subject to Article VI hereof) as Additional Rentals the costs thereof in excess of the amount of the Net Proceeds or

(B) To pay (subject to Article VI hereof) the Purchase Option Price, in which case the Net Proceeds shall be delivered to the City.

(ii) If, by December 31 of the Fiscal Year in which the event described in subsection (a) of this Section occurred (or June 30 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property becomes apparent), the City has not appropriated amounts sufficient to proceed under clause (i) of this subsection, an Event of Nonappropriation and Nonrenewal shall be deemed to have occurred.

(d) The City shall not voluntarily settle or consent to the settlement of any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to default or breach of warranty under any contract relating to the Leased Property without the written consent of the Corporation and the Trustee.

(e) No event described in subsection (a) of this Section shall affect the obligation of the City to pay Base Rentals or Additional Rentals hereunder, regardless of whether the Leased Property is repaired, modified, improved or replaced in full or in part, subject, however, to Article VI hereof.

Section 8.07. Condemnation by the City. The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Certificates remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Leased Property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the Leased Property, the appraised value of the Leased Property shall not be less than the greater of (a) if such Certificates are then subject to redemption, the principal and interest components of the Outstanding Certificates through the date of their redemption; or (b) if such Certificates are not then subject to redemption, the amount necessary to defease such Certificates to the first available redemption date in accordance with the Indenture.

Section 8.08. Personal Property of City. The City (or its tenants), at its own expense, may install equipment and other personal property in or on the Leased Property, which equipment or other personal property shall not become part of the Leased Property unless it is permanently affixed to the Leased Property or removal of it would materially damage the Leased Property, in which case it will become part of the Leased Property.

ARTICLE IX

CITY'S PURCHASE OPTION

Section 9.01. City's Purchase Option. The City is hereby granted the option to purchase the Leased Property, in the aggregate, but not in part, by paying to the Trustee the Purchase Option Price. The Purchase Option Price shall be an amount which, together with other amounts then on deposit in the Debt Service Fund and the Costs of Issuance Fund that are available for such purpose, is sufficient (a) to pay all the Outstanding Certificates at maturity, to redeem all the Outstanding Certificates in accordance with the redemption provisions of the Indenture or to defease all the Outstanding Certificates in accordance with the defeasance provisions of the Indenture; and (b) to pay all Additional Rentals payable through the date of conveyance of the Leased Property to the City or its designee pursuant to this Article, including, but not limited to, all fees and expenses of the Trustee relating to the conveyance of the Leased Property and the payment, redemption or defeasance of the Certificates.

Section 9.02. Exercise of City's Purchase Option. The City may exercise its option to purchase the Leased Property pursuant to Section 9.01 hereof by (i) giving written notice to the Corporation and the Trustee prior to the end of the Final Renewal Term (A) stating that the City intends to purchase the Leased Property pursuant to Section 9.01 hereof, (B) identifying the source of funds it will use to pay the Purchase Option Price and (C) specifying a closing date for such purpose which is at least 30 and not more than 90 days after the delivery of such notice, (ii) paying the Purchase Option Price to the Trustee in immediately available funds on the closing date, and (iii) providing written evidence of discharge of the Certificates pursuant to Section 10.01 of the Indenture.

Section 9.03. Delivery of Documentation Upon Purchase. At the closing of any purchase of the Leased Property pursuant to this Section, the Corporation shall execute and deliver to the Purchaser or its designee, and shall cause the Trustee to execute and deliver to the Purchaser or its designee, all necessary documents assigning, transferring and conveying title to the Purchaser or its designee in the Leased Property, as it then exists, subject to the following: (i) Permitted Encumbrances, other than this Lease and the Indenture; (ii) all liens, encumbrances and restrictions created or suffered to exist by the Corporation as required or permitted by this Lease or arising as a result of any action taken or omitted to be taken by the Corporation as required or permitted by this Lease; (iii) any lien or encumbrance created or suffered to exist by action of the City or any tenant of the City; and (iv) those liens and encumbrances (if any) to which title to the Leased Property, was subject when acquired by the Corporation.

Section 9.04. Conveyance of Leased Property to City at End of Final Renewal Term. If the City pays all Base Rentals scheduled to be paid through the end of the Final Renewal Term and all Additional Rentals payable through the date of conveyance of the Leased Property to the City pursuant to this Section shall have been paid, the Leased Property shall be assigned, transferred and conveyed to the City or its designee at the end of the Final Renewal Term in the manner described in Section 9.03 hereof without any additional payment by the City.

ARTICLE X

GENERAL COVENANTS

Section 10.01. Further Assurances and Corrective Instruments. So long as this Lease is in full force and effect and no Event of Nonappropriation and Nonrenewal or Event of Default shall have occurred, the Corporation, the City and the Trustee shall have full power to carry out the acts and agreements provided herein and the Corporation, the City and the Trustee shall from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property leased or intended to be leased hereunder, or for otherwise carrying out the intention of or facilitating the performance of this Lease.

Section 10.02. Compliance With Requirements of Law. The Corporation, the City and the Trustee shall comply with all Requirements of Law in performing their respective obligations with respect to the Leased Property hereunder. Without limiting the generality of the preceding sentence, the City, in particular, shall use the Leased Property in a manner such that (a) the Leased Property at all times is operated in compliance with all Requirements of Law; and (b) all permits required by Requirements of Law in respect of the City's use of the Leased Property are obtained, maintained in full force and effect and complied with.

Section 10.03. Environmental Representations and Covenants of the City.

(a) The City has complied with all applicable environmental laws with respect to the Leased Property and the operations or other activities of the City on or with respect to the Leased Property will not result in the disposal or other Release of any Contaminant on or from the Leased Property other than in all cases in compliance with applicable law.

(b) The operations or other activities of the City shall not result in the disposal or other Release of any Contaminant on or from the Leased Property other than in compliance with all current and future applicable environmental laws and the City shall not engage in any activities that will result in the violation of any applicable current or future environmental laws. The City shall obtain from time to time all permits required under current or future environmental laws so that the operations of the City will be in accordance with such laws.

(c) The City will make available for inspection from time to time all documents and information in its possession and control regarding activities and conditions relating to the Leased Property and other assets which may result or may have resulted in noncompliance with, or liability under, any applicable environmental, health or safety Requirement of Law.

(d) The City shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Leased Property other than in accordance with all applicable Environmental Regulations, shall not permit any Hazardous Substance to be

stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom other than in accordance with all applicable Environmental Regulations, shall cause all Hazardous Substances found thereon to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder other than in accordance with all applicable Environmental Regulations, and shall comply with all Environmental Regulations which are applicable to the Leased Property.

(e) Amounts payable by the City pursuant to this Section shall constitute Additional Rentals and shall be subject to all the terms of this Lease relating to Additional Rentals, including, but not limited to, Sections 6.05 and 12.03 hereof.

(f) The Leased Property complies in all respects with applicable zoning, environmental and safety ordinances in accordance with this Section and is the same property which is the subject of the title insurance policy or policies obtained to satisfy the provisions set forth in Section 6.04 of the Indenture.

Section 10.04. Participation in Legal Actions.

(a) At the request of and at the cost of the City, the Corporation and the Trustee shall join and cooperate fully in any legal action in which the City asserts its right to the enjoyment of the Leased Property; that involves the imposition of any charges, costs or other obligations or liabilities on or with respect to the Leased Property or the City's enjoyment of the Leased Property for which the City is responsible hereunder; or that involves the imposition of any charges, costs or other obligations with respect to the City's execution, delivery and performance of its obligations hereunder.

(b) At the request of the Corporation or the Trustee, the City shall, at the cost of the City, join and cooperate fully in any legal action in which the Corporation or the Trustee asserts its ownership of or interest in the Leased Property; that involves the imposition of any charges, costs or other obligations on or with respect to the Leased Property for which the Corporation or the Trustee is responsible hereunder; or that involves the imposition of any charges, costs or other obligations with respect to the execution and delivery of this Lease by the Corporation or the performance of its obligations hereunder.

Section 10.05. Payment of Expenses of the Corporation and the Trustee. The City shall pay the reasonable expenses of the Corporation and reasonable fees and expenses of the Trustee (subject to any agreement with the Trustee limiting the amount of such fees and expenses) in connection with the Leased Property, this Lease, the Indenture, the Certificates, or any matter related thereto, including, but not limited to, costs of defending any claim or action brought against the Corporation or its directors or officers relating to the foregoing, excepting, however, any liability for any action constituting willful or wanton misconduct.

ARTICLE XI

LIMITS ON OBLIGATIONS OF CORPORATION

Section 11.01. Disclaimer of Warranties. THE CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. In no event shall the Corporation be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the City of any item, product or service provided for herein.

Section 11.02. Financial Obligations of Corporation Limited to Available Funds. Notwithstanding any other provision hereof, all financial obligations of the Corporation under this Lease, except those resulting from its gross negligence or willful misconduct, are limited to the Trust Estate.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default Defined.

(a) Any of the following shall constitute an "Event of Default" under this Lease:

(i) failure by the City to pay any specifically appropriated Base Rentals to the Trustee on or before the applicable Base Rentals Payment Date; provided, however, that a failure by the City to pay Base Rentals on the applicable Base Rentals Payment Date shall not constitute an Event of Default if such payment is received by the Trustee within five days following such Base Rentals Payment Date;

(ii) failure by the City to pay any Additional Rental for which funds have been specifically appropriated when due, or if such Additional Rental is payable to a Person other than the Corporation or the Trustee, when nonpayment thereof has, or may have, a material adverse effect upon the Certificates, the Leased Property or the interest of the Corporation or the Trustee in the Leased Property;

(iii) failure by the City to vacate the real property included in the Leased Property immediately following an Event of Nonappropriation and Nonrenewal in accordance with Section 4.02(b) hereof;

(iv) any sublease, assignment, encumbrance, conveyance or other transfer of the interest of the City in all or any portion of the Lease or the Leased

Property or any succession to all or any portion of the interest of the City in the Leased Property in violation of Section 13.02 hereof; or

(v) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i), (ii), (iii) or (iv) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the City by the Trustee, unless the Trustee shall agree in writing, prior to the expiration of the 30-day period, to an extension of not more than 60 days; provided, however, that if the failure stated in the notice cannot be corrected within the original 30-day period, the Trustee shall not withhold its consent to an extension of up to 60 days if corrective action shall be instituted by the City within such time period and diligently pursued until the default is corrected.

(b) The provisions of subsection (a) of this Section are subject to the following limitations:

(i) The City shall be obligated to pay Base Rentals and Additional Rentals only during the Lease Term, except as otherwise expressly provided in Section 4.02(b)(ii) hereof; and

(ii) If, by reason of Force Majeure, the City shall be unable in whole or in part to carry out any agreement on its part herein contained, other than its obligation to pay Base Rentals or Additional Rentals hereunder, the City shall not be deemed in default during the continuance of such inability; provided, however, that the City shall, as promptly as legally and reasonably possible, remedy the cause or causes preventing the City from carrying out such agreement, except that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City.

Section 12.02. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Trustee, acting for the Corporation, may, without any further demand or notice take one or any combination of the following remedial steps:

(a) Terminate the Lease Term and give notice to the City to immediately vacate the real property included in the Leased Property, in the manner provided in Section 4.02(b) hereof;

(b) Foreclose through the courts on or otherwise sell or lease its interest in all or any portion of the Leased Property;

(c) Recover from the City:

(i) the portion of Base Rentals and Additional Rentals payable pursuant to Section 4.02(b)(ii) hereof; and

(ii) the portion of Base Rentals and Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the City Council of the City, regardless of when the City vacates the Leased Property.

(d) Enforce any provision of this Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under Article XIII hereof by specific performance, writ of mandamus or other injunctive relief; and

(e) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease, subject, however, to the limitations on the obligations of the City set forth in Sections 6.05 and 12.03 hereof and the limitations on the obligations of the Corporation set forth in Article XI hereof.

Section 12.03. Limitations on Remedies. A judgment requiring a payment of money may be entered against the City by reason of an Event of Default only as to the City's liabilities described in Section 12.02(c) hereof and for the costs, expenses and fees of the Corporation. A judgment requiring a payment of money may be entered against the City by reason of an Event of Nonappropriation and Nonrenewal, or a failure to vacate the Leased Property following an Event of Nonappropriation and Nonrenewal, only to the extent provided in Section 12.02(c)(i) hereof.

Section 12.04. No Remedy Exclusive. Subject to Section 12.03 hereof, no remedy herein conferred upon or reserved to the Corporation is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 12.05. Waivers.

(a) The Corporation may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(b) In the event the Trustee waives any Event of Default described in Section 12.01(a)(i) hereof, any subsequent payment by the City of Base Rentals then due and owing shall be paid to the Trustee to be applied in accordance with the terms of the Indenture.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Corporation's Rights, Title and Interest in Trust for Benefit of Owners; Successor Corporation; Assignment by Corporation. The Corporation shall place its interest in the Leased Property and its rights, title and interest in, to and under this Lease (other than the Corporation's rights to payment of its fees and expenses and the rights of third parties to Additional Rentals payable to them) in trust for the benefit of the Owners pursuant to the Indenture. Any successor trustee under the Indenture shall automatically succeed to the previous trustee's interest in the Leased Property and the previous trustee's rights, title, interest and obligations in, to and under this Lease. The Corporation shall not, except as provided in this Section or as otherwise provided elsewhere in this Lease or in the Indenture, assign, convey or otherwise transfer to any Person any of the Corporation's interest in the Leased Property or the Corporation's rights, title or interest in, to or under this Lease.

Section 13.02. Transfer of City's Interest in Lease and Leased Property Prohibited. Except for (i) the Corporation's assignment of this Lease and mortgaging of the Leased Property to the Trustee under the Indenture, (ii) any exercise by the Trustee of the remedies provided in this Lease, (iii) any conveyance to the City pursuant to Article IX hereof upon payment of the Purchase Option Price, upon the expiration of the scheduled Lease Term or regarding the release of certain of the Leased Property, (iv) the City's rights to sublease under Section 8.04 hereof, (v) the granting of easements pursuant to Section 8.03 hereof, or (vi) any modifications to the Leased Property under Section 8.05 hereof, the City shall not sublease, assign, encumber, convey or otherwise transfer all or any portion of its interest in this Lease or the Leased Property to any Person, whether now in existence or organized hereafter.

Section 13.03. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns, subject, however, to the limitations set forth in Sections 13.01 and 13.02 hereof. The Trustee shall be a third party beneficiary of this Lease to the extent rights are granted to it herein and, by accepting the assignment of the Corporation's interest herein pursuant to the Indenture, it shall be bound by the terms hereof. This Lease and the covenants set forth herein are expressly intended to be covenants, conditions and restrictions running with the Leased Property and the leasehold estate in the Leased Property under this Lease.

Section 13.04. Corporation, City and Trustee Representatives. Whenever under the provisions hereof the approval of the Corporation, the City or the Trustee is required, or the City, the Corporation or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Corporation by the Corporation Representative, for the City by the City Representative and for the Trustee by the Trustee Representative, and the Corporation, the City and the Trustee shall be authorized to act on any such approval or request.

Section 13.05. Manner of Giving Notices. All notices, certificates or other communications hereunder shall be in writing and shall be deemed given when mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the City:	City of Boulder Municipal Building 1777 Broadway Boulder, CO 80302 Attn: Chief Financial Officer
with a copy to:	City Attorney Municipal Building 1777 Broadway Boulder, CO 80302
if to the Corporation:	The Boulder Municipal Property Authority Municipal Building 1777 Broadway Boulder, CO 80302 Attn: President
with a copy to:	City Attorney Municipal Building 1777 Broadway Boulder, CO 80302
if to the Trustee:	U.S. Bank National Association 950 17th Street, 12th Floor Denver, CO 80202 Attention: Corporate Trust Services

The entities listed above may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.06. No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the City or the Corporation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City or the Corporation, as the case may be, and not of any member, director, officer, employee, servant or other agent of the City or the Corporation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the City or the Corporation or any natural person executing this Lease or any related document or instrument.

Section 13.07. Amendments, Changes and Modifications. Except as otherwise provided herein and subject to terms of the Indenture, this Lease may not be effectively

amended, changed, modified or altered other than by the execution of a subsequent document in the same manner as this Lease is executed.

Section 13.08. Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right under this Lease is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 13.09. Severability. In the event that any provision of this Lease, other than the obligation of the City to pay Base Rentals or Additional Rentals and the Purchase Option Price hereunder and the obligation of the Corporation to provide quiet enjoyment of the Leased Property and to convey the Leased Property to the City pursuant to Article IX hereof, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.10. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 13.11. Applicable Law. The laws of the State shall be applied in the interpretation, execution and enforcement of this Lease and the exclusive venue for any litigation concerning this Lease shall lie only in Boulder County, Colorado.

Section 13.12. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.13. No Merger. The City, the Corporation and the Trustee intend that the legal doctrine of merger shall have no application to this Lease and that neither the execution and delivery of the Lease by the Corporation and the City nor the exercise of any remedies under this Lease shall operate to terminate or extinguish this Lease, except as specifically provided herein and therein.

Section 13.14. City Budget. During the Lease Term, the City's budgets shall comply with the requirements of the City's Charter.

[Signature Page to Lease Purchase Agreement Follows]

IN WITNESS WHEREOF, the Corporation and the City have executed this Lease as of the date first above written.

THE BOULDER MUNICIPAL PROPERTY AUTHORITY, as Lessor

By _____
President

Attest:

By _____
Secretary-Treasurer

CITY OF BOULDER, COLORADO, as Lessee

By _____
Mayor

Attest:

By _____
City Clerk

[Signature Page 1 to Lease Purchase Agreement]

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this _____ day of November, 2015, by _____, as President, and by _____, as Secretary-Treasurer of The Boulder Municipal Property Authority.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary Public for the State of Colorado

My commission expires:

_____

[Signature Page 1 to Lease Purchase Agreement]

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this _____ day of November, 2015, by _____, as Mayor, and _____, as City Clerk, of the City of Boulder, Colorado.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary Public for the State of Colorado

My commission expires:

_____

[Signature Page 2 to Lease Purchase Agreement]

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

Public Safety Building:

East Boulder Community Center:

A tract of land located in the NW1/4 of the SW1/4 of Section 3, T1S, R70W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of the SE1/4 of the SE1/4 of Section 4, T1S, R70W of the 6th P.M., thence N00°10’19"E, 2376.80 feet along the West line of the E1/2 of the SE1/4 of said Section 4 to the Southwest Corner of that tract of land as described in Deed recorded in Book 866 at Page 192 of the records of Boulder County, Colorado; thence S86°45’49"E, 1581.54 feet to the TRUE POINT OF BEGINNING;

Thence N00°45’00"W, 316.15 feet; thence N89°40’00"E, 713.57 feet; thence S01°32’00"W, 119.00 feet; thence S17°20’00"W, 103.00 feet; thence S10°30’00"E, 157.00 feet; thence S01°55’00"E, 92.00 feet; thence N87°29’00"W, 20.00 feet; thence N59°45’00"W, 84.00 feet; thence S63°22’00"W, 330.00 feet; thence N44°53’00"W, 330.00 feet; thence N80°41’00"W, 88.00 feet to the TRUE POINT OF BEGINNING.

Area = 7.243 acres (315,509 square feet), more or less.

Park Central Building:

EXHIBIT B

BASE RENTALS PAYMENT SCHEDULE

Payment Date	Base Rental Principal Component	Base Rental Interest Component	Total Base Rentals Due on Payment Date	Annual Total
4/25/2016	0			
10/25/2016				
4/25/2017	0			
10/25/2017				
4/25/2018	0			
10/25/2018				
4/25/2019	0			
10/25/2019				
4/25/2020	0			
10/25/2020				
4/25/2021	0			
10/25/2021				
4/25/2022	0			
10/25/2022				
4/25/2023	0			
10/25/2023				
4/25/2024	0			
10/25/2024				
4/25/2025	0			
10/25/2025				

4/25/2026	0
10/25/2026	
4/25/2027	0
10/25/2027	
4/25/2028	0
10/25/2028	
4/25/2029	0
10/25/2029	
4/25/2030	0
10/25/2030	
4/25/2031	0
10/25/2031	
4/25/2032	0
10/25/2032	
4/25/2033	0
10/25/2033	
4/25/2034	0
10/25/2034	
4/25/2035	0
10/25/2035	
4/25/2036	0
10/25/2036	

EXHIBIT C

FORM OF RENEWAL CERTIFICATE

The undersigned City Manager of the City of Boulder, Colorado (the "City") hereby certifies in compliance with Section 6.03 of the Lease Purchase Agreement, dated as of November 1, 2015 (the "Lease") between the City and The Boulder Municipal Property Authority, that as of the date of this Renewal Certificate the City Council of the City has taken such actions necessary to renew the Lease for fiscal year _____ and thereby has avoided an Event of Nonappropriation and Nonrenewal under the Lease.

Dated this _____ day of _____, _____.

CITY OF BOULDER, COLORADO

By _____
City Manager

EXHIBIT D

RELEASE AND AMORTIZATION SCHEDULE

PORTION OF THE LEASED PROPERTY	VALUES OF LEASED PROPERTY FOR PURPOSES OF RELEASE PURSUANT TO SECTION 8.03(d) OF THE LEASE
Park Central Building	$_____
East Boulder Community Center	$_____
Public Safety Building[1]	$_____

[1] Pursuant to Section 8.03(d) of the Lease, the Public Safety Building may not be released unless all principal of the Certificates is paid or defeased pursuant to Section 10.01 of the Indenture.

MORTGAGE AND INDENTURE OF TRUST

between

THE BOULDER MUNICIPAL PROPERTY AUTHORITY,
as Grantor

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of November 1, 2015

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APPENDIX A FORM OF CERTIFICATE
APPENDIX B DESCRIPTION OF THE LEASED PROPERTY

THIS MORTGAGE AND INDENTURE OF TRUST (this "Indenture") is dated as of November 1, 2015, and is entered into by and between **THE BOULDER MUNICIPAL PROPERTY AUTHORITY** (the "Corporation"), a nonprofit corporation duly organized and validly existing under the laws of the State of Colorado, as grantor, and **U.S. BANK NATIONAL ASSOCIATION,** Denver, Colorado, a national banking association duly organized and validly existing under the laws of the United States of America, as trustee (the "Trustee").

W I T N E S S E T H :

WHEREAS, the Corporation (a) is a nonprofit corporation that is duly organized, validly existing and in good standing under the laws of the State; (b) is duly qualified to do business in the State; (c) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to acquire the Leased Property, to lease the Leased Property to the City (defined herein), to grant the Trust Estate to the Trustee, and to execute, deliver and perform its obligations under the Lease and this Indenture; and

WHEREAS, the Trustee (a) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America; (b) is duly qualified to do business in the State; and (c) is authorized, under its articles of association, action of its board of directors and applicable law, to accept the grant of the Trust Estate from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture; and

WHEREAS, the Corporation, as lessor, and the City, as lessee, have agreed pursuant to the Lease that the Corporation shall lease the Leased Property to the City and the City shall pay Base Rentals and Additional Rentals, subject, in each case, to the terms of the Lease; and

WHEREAS, pursuant to this Indenture, all of the Corporation's right, title and interest in the Base Rentals received and to be received from the City pursuant to the Lease and the Corporation's rights to receive certain other payments as provided herein and in the Lease, are assigned by the Corporation to the Trustee; and

WHEREAS, pursuant to this Indenture, the Corporation has also granted to the Trustee a mortgage on the Leased Property; and

WHEREAS, in order to finance the acquisition of the Leased Property, the Trustee shall authenticate and deliver the "The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015" (the "Certificates"); and

WHEREAS, the Certificates of the Corporation shall evidence undivided interests in the right to receive Lease Revenues, shall be payable solely from the Trust Estate and no provision of the Certificates, this Indenture or the Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year or for any Fiscal Year for which the City has not renewed the Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the constitution of the State or any other Charter, constitutional or statutory

limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the constitution of the State; and

WHEREAS, the Certificates shall be special, limited obligations payable solely from the Trust Estate on the terms provided herein; and

WHEREAS, the Trustee has entered into this Indenture for and on behalf of the Owners, and will, except as otherwise specifically provided herein, hold its rights hereunder, including its rights with respect to the Trust Estate, for the equal and proportionate benefit of the Owners, and will disburse moneys received by it in accordance with this Indenture; and

WHEREAS, all things necessary to make the Certificates, when executed, delivered and authenticated by the Trustee and as in this Indenture provided, legal, valid and binding obligations enforceable against the Corporation and the Trustee in accordance with the terms thereof, and to constitute this Indenture a legal, valid and binding instrument for the security of the Certificates in accordance with the terms hereof, have been done and performed;

NOW, THEREFORE, THIS MORTGAGE AND INDENTURE OF TRUST WITNESSETH:

That the Corporation, in consideration of the premises and the mutual covenants herein contained and for the benefit of the Owners, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on all Certificates at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Certificates and herein contained, and to declare the terms and conditions upon and subject to which the Certificates are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, warranted, mortgaged, alienated, remised, released, conveyed, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, mortgage, alien, remise, release, convey, assign, pledge, set over and confirm unto the Trustee and to its successors and assigns forever, all and singular the following described property, franchises and income, including any title therein acquired after these presents:

(a) the Leased Property and the tenements, hereditaments, appurtenances, rights, privileges and immunities thereto belonging or appertaining, subject to the terms of the Lease including, but not limited to, the terms of the Lease permitting the existence of Permitted Encumbrances;

(b) all rights, title and interest of the Corporation in, to and under the Lease, other than the rights, title and interest of the Corporation with respect to certain payments or reimbursement to the Corporation thereunder for its costs, fees and expenses and the rights of third parties to Additional Rentals;

(c) all Lease Revenues, including without limitation all Base Rentals, the Purchase Option Price, if paid and any Net Proceeds subject to the application thereof as provided herein; and

(d) all money and securities from time to time held by the Trustee under this Indenture in the Debt Service Fund or any other fund or account created hereunder and held by the Trustee other than those excluded by Section 3.05 hereof, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specially mortgaged, pledged or hypothecated, as and for additional security hereunder, by the Corporation, or by anyone on its behalf, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

SUBJECT, HOWEVER to the Corporation's retention of its rights to payment of its expenses and indemnification under the Lease and the rights of third parties to Additional Rentals payable to them under the Lease;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Owners, without privilege, priority or distinction as to the lien or otherwise of any of the Certificates over any other of the Certificates, except as otherwise provided herein;

PROVIDED, HOWEVER, that if the principal of the Certificates and the interest due or to become due thereon shall be paid at the times and in the manner mentioned in the Certificates, according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Certificates issued and secured hereunder are to be executed, authenticated and delivered and all said property, rights, interests, revenues and receipts hereby pledged, assigned and mortgaged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee for the benefit of the Owners, as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used herein and defined in the Lease shall have the same meanings in this Indenture. In addition, the following capitalized terms shall have the following meanings in this Indenture including the preambles of granting clauses hereto:

"*Acquisition Property*" means certain property constituting the Boulder Community Health Broadway Campus, and more specifically the real estate including improvements located

at [1100 Balsam, 1155 Alpine, 1136 Alpine, 2655 Broadway, 1125 North Street and 1135 North Street], Boulder, Colorado 80302.

"*Acquisition Property Fund*" means the special fund created by Section 3.03 hereof.

"*Bond Counsel*" means (a) as of the date of issuance of the Certificates, Kutak Rock LLP, and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the City with nationally recognized expertise in the issuance of municipal securities.

"*Certificates*" means The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015, authorized to be issued pursuant to this Indenture.

"*Corporation*" means The Boulder Municipal Property Authority, or any successor thereto.

"*Cost of Issuance Fund*" means the special fund created by Section 3.02 hereof.

"*Costs of Issuance*" means administrative costs of issuance of any Certificates, including the initial compensation and expenses of the Trustee, any fees and expenses of any underwriter or financial advisor that provides services in connection with the issuance of any Certificates, any fees or expenses of the Corporation or the City in connection with the issuance of any Certificates, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, costs of immediately available funds, costs of publication and printing, recording and filing fees, costs of title insurance and any other related fees or expenses.

"*Date of Issuance*" means November __, 2015.

"*Debt Service Fund*" means the special fund created by Section 3.01 hereof.

"*Defeasance Securities*" means (a) cash; (b) non-callable direct obligations of the United States of America ("Treasuries"); (c) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor, and the underlying Treasuries are not available to any Person claiming through the custodian or to whom the custodian may be obligated; or (d) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively.

"*DTC*" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and its successors or assigns.

"*Event of Default*" means (a) when used with respect to the Lease, an event described in Section 12.01 thereof and (b) when used with respect to this Indenture, an event described in Section 7.01 hereof.

"*Indenture*" means this Mortgage and Indenture of Trust and any amendment or supplement hereto.

"*Initial Purchaser*" means _____.

"*Interest Account*" means the account of the Debt Service Fund created by and designated as such in Section 3.01(a) hereof.

"*Interest Payment Date*" means May 1 and November 1 of each year, beginning on May 1, 2016.

"*Lease*" means the Lease Purchase Agreement dated as of the date hereof between the Corporation and the City and any amendment or supplement thereto.

"*Lease Revenues*" means (a) the Base Rentals; (b) the Purchase Option Price, if paid; (c) any Net Proceeds; (d) any earnings on moneys on deposit in the Debt Service Fund; (e) all other revenues derived from the Lease, excluding Additional Rentals; and (f) any other moneys to which the Trustee may be entitled for the benefit of the Owners.

"*Leased Property*" means the buildings, the site improvements and the other real property described in Appendix B hereto, less any property released in accordance with Section 8.03 of the Lease, or condemned or replaced as provided in Section 8.06 of the Lease.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns.

"*Operations Center*" means the operations center of the Trustee in St. Paul, Minnesota, or such other center designated by the Trustee.

"*Opinion of Counsel*" means a written opinion of legal counsel, who may be counsel to the Trustee or the Corporation.

"*Outstanding*" means all Certificates which have been executed and delivered, except:

(a) Certificates canceled or which shall have been surrendered to the Trustee for cancellation;

(b) Certificates in lieu of which other Certificates have been executed under Section 2.07 or 2.08 hereof;

(c) Certificates which have been redeemed as provided in Article IV hereof (including Certificates redeemed on payment of an amount less than the outstanding principal thereof and accrued interest thereon to the redemption date as provided in Section 4.01 hereof);

(d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to Section 3.05 hereof; and

(e) Certificates which are otherwise deemed discharged pursuant to Section 10.01 hereof.

"*Owner*" of a Certificate means the registered owner of any Certificate as shown in the registration records of the Trustee.

"*Participant*" means, with respect to DTC or another Securities Depository, a member of or participant in DTC or such other Securities Depository, respectively.

"*Permitted Investments*" means any investment which the City is authorized to invest in under the laws of the State and its Charter.

"*Principal Account*" means the account of the Debt Service Fund created by and designated as such in Section 3.01(a) hereof.

"*Record Date*" means, with respect to each Interest Payment Date, the fifteenth day of the month (whether or not a Business Day) immediately preceding the month in which the Interest Payment Date occurs.

"*Securities Depository*" means DTC or, if applicable, any successor securities depository appointed pursuant to Section 2.10 hereof.

"*Special Record Date*" means a special date fixed to determine the names and addresses of Owners of Certificates for purposes of paying defaulted interest in accordance with Section 2.02 hereof.

"*Supplemental Indenture*" means any indenture supplementing or amending this Indenture that is adopted pursuant to Article IX hereof.

"*S&P*" means Standard & Poor's Ratings Services, and its successors and assigns.

"*Trust Estate*" means the property mortgaged, pledged and assigned to the Trustee pursuant to the granting clauses hereof. The Trust Estate does not include the Acquisition Property Fund, the Costs of Issuance Fund or any escrow accounts established pursuant to Section 10.01 hereof.

"*Trustee*" means U.S. Bank National Association, Denver, Colorado, acting in the capacity of trustee pursuant hereto, and any successor thereto appointed hereunder.

"*Trustee Representative*" means, as to any Trustee, any authorized trust officer of the Trustee.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF CERTIFICATES

Section 2.01. Authorized Amount of Certificates. No Certificates may be issued hereunder except in accordance with this Article. The aggregate principal amount of Certificates that may be issued hereunder shall be limited to $_____.

Section 2.02. Issuance of Certificates.

(a) The Certificates shall be issued, sold and delivered hereunder for the purposes of (i) acquiring the Leased Property and (ii) funding the Costs of Issuance Fund in order to pay the Costs of Issuance with respect thereto.

(b) The Certificates shall be issuable only as fully registered Certificates in the denominations of $5,000 and any integral multiple thereof (provided that no Certificate may be in a denomination which exceeds the principal coming due on any maturity date and no individual Certificate may be issued for more than one maturity). The Certificates shall be numbered in such manner as shall be determined by the Trustee.

(c) The principal of any Certificate shall be payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior redemption thereof and upon presentation and surrender at the Operations Center of the Trustee. Payment of interest on the Certificates shall be made by check or draft of the Trustee mailed, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date. Any such interest not so timely paid shall cease to be payable to the Person who is the Owner thereof at the close of business on the Record Date and shall be payable to the Person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than 10 days prior to the Special Record Date, by first-class mail to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Trustee may make payments of interest by wire transfer to any Person who is the Owner of in excess of $1,000,000 in aggregate principal amounts of the Certificates.

Section 2.03. Certificate Details.

The Certificates shall be designated as "The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015," shall evidence undivided interests in the right to receive certain revenues payable by the City under the Lease, and shall be issued in the aggregate principal amount of $_____. The Certificates shall be dated as of the Date of Issuance, shall mature on the dates and in the amounts set forth below, and shall bear interest from their Date of Issuance to maturity or prior redemption at the rates per annum shown below (based on a 360-day year comprised of twelve 30-day months), payable on each Interest Payment Date; except that Certificates which are reissued upon transfer, exchange or other replacement shall bear interest at the rates per annum shown below from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid, from the original dated date of the Certificates.

Dates Maturing (November 1)	Amounts Maturing	Interest Rate (Per Annum)

The Certificates shall be in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable. Appendix A is an integral part of this Indenture and is incorporated herein as if set forth in full in the body of this Indenture.

Section 2.04. Limited Obligations. Each Certificate shall represent an undivided interest in the right to receive Lease Revenues and shall be payable solely from the Trust Estate in accordance with, and subject to the terms of this Indenture. No provision of the Certificates, this Indenture or the Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year or for any Fiscal Year for which the City has not renewed the Lease; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the constitution of the State or any other Charter, constitutional or statutory limitation or provision; or (c) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any Person, company or corporation within the meaning of Article XI, Section 1 of the constitution of the State.

Section 2.05. Execution and Authentication of Certificates. The manual signature of a duly authorized signatory of the Trustee shall appear on each Certificate. Any Certificate shall be deemed to have been executed by a duly authorized signatory of the Trustee if signed by the Trustee, but it shall not be necessary that the same signatory sign all of the Certificates issued hereunder. If any signatory of the Trustee whose signature appears on a Certificate shall cease to be such official before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained a duly authorized signatory of the Trustee until delivery.

Section 2.06. Delivery of Certificates. Upon the execution and delivery of this Indenture, the Trustee shall execute and deliver such Certificates to the Initial Purchaser thereof, as hereinafter in this Section provided:

(a) Prior to the delivery by the Trustee of any of such Certificates, there shall have been filed with the Trustee (i) an originally executed counterpart of this Indenture, (ii) a certified copy of the Lease, and (iii) the title insurance policy or commitment required by Section 6.03 hereof.

(b) The Trustee shall deliver such Certificates to the Initial Purchaser of the Certificates, upon payment to the Trustee of the agreed purchase price of $_____, which sum shall be applied as follows:

(i) $_____ shall be deposited into the Acquisition Property Fund to be used by the City to acquire the Acquisition Property or otherwise as provided in Section 3.03(c) hereof.

(ii) $_____ shall be deposited into the Costs of Issuance Fund in order to pay the Costs of Issuance with respect to the Certificates.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Certificates. In the event that any Certificate is mutilated, lost, stolen or destroyed, a new Certificate may be executed on behalf of the Trustee, of like date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee shall have received such evidence, information or indemnity from the Owner of the Certificate as the Trustee and the Corporation may reasonably require, and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered to the Trustee. In the event that any such Certificate shall have matured, instead of issuing a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee will charge the Owner of the Certificate with its reasonable fees and expenses in this connection and require payment of such fees and expenses as a condition precedent to the delivery of a new Certificate.

Section 2.08. Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates.

(a) Records for the registration and transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar for the Certificates. The principal of and interest on any Certificate shall be payable only to or upon the order of the Owner or his legal representative (except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Certificate at the Operations Center of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned.

(b) Fully registered Certificates may be exchanged at the Operations Center of the Trustee for an equal aggregate principal amount of fully registered Certificates of the same maturity and interest rate of other authorized denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

(c) The Trustee may require the payment, by the Owner of any Certificate requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

(d) The Trustee shall not be required to transfer or exchange (i) all or any portion of any Certificate during the period beginning at the opening of business 15 days before the day of the mailing by the Trustee of notice calling any Certificates for prior redemption and ending at the close of business on the day of such mailing; or (ii) all or any portion of a Certificate after the mailing of notice calling such Certificate or any portion thereof for prior redemption.

(e) Except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the Person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest on any Certificate shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

Section 2.09. Cancellation of Certificates. Whenever any Outstanding Certificates shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Section 2.07 or 2.08 hereof, such Certificates shall be promptly cancelled by the Trustee.

Section 2.10. Book-Entry System.

Notwithstanding any other provision hereof, the Certificates shall be initially issued in the form of a separate single certificated fully registered Certificate for each of the maturities (and for each interest rate with the same maturity) set forth in Section 2.03 hereof. Upon initial issuance, the ownership of each Certificate shall be registered in the registration records kept by the Trustee in the name of Cede & Co. ("Cede"), as nominee of DTC. Except as provided in Section 2.10(a) hereof, all of the Outstanding Certificates shall be registered in the registration records kept by the Trustee in the name of Cede, as nominee of DTC.

With respect to Certificates registered in the registration records kept by the Trustee in the name of Cede, as nominee of DTC, the Corporation and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Certificates. Without limiting the

immediately preceding sentence, neither the Corporation nor the Trustee shall have responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Participant or any other Person, other than an Owner, as shown in the registration records kept by the Trustee, of any notice with respect to the Certificates, including any notice of redemption, (iii) the payment to any Participant or any other Person, other than an Owner, as shown in the registration records kept by the Trustee, of any amount with respect to principal of or interest on the Certificates, (iv) the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Certificates, or (v) any consent given or other action taken by DTC. The Corporation and the Trustee may treat and consider the Person in whose name each Certificate is registered in the registration records kept by the Trustee as the absolute Owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever, and neither the Corporation nor the Trustee will be affected by any notice to the contrary. The Trustee shall pay all principal of and interest on the Certificates only to or upon the order of the respective Owner, as shown in the registration records kept by the Trustee, or their respective attorneys duly authorized in writing, as provided in Section 2.08 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No Person, other than an Owner, as shown in the registration records kept by the Trustee, shall receive a certificated Certificate evidencing the obligation to make payments of principal and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to Record Dates, the word "Cede" in this Indenture shall refer to such new nominee of DTC.

(a) DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving notice to the Corporation or the Trustee and discharging its responsibilities with respect thereto under applicable law.

(b) The Trustee, with the consent of the Authority, may terminate the services of DTC with respect to the Certificates if the Trustee determines that:

(i) DTC is unable to discharge its responsibilities with respect to the Certificates, or

(ii) a continuation of the requirement that all of the Outstanding Certificates be registered in the registration records kept by the Trustee in the name of Cede or any other nominee of DTC is not in the best interest of the beneficial owners of the Certificates.

(c) Upon the termination of the services of DTC with respect to the Certificates pursuant to subsection 2.10(a)(ii)(B) hereof, or upon the discontinuance by

DTC of its services or the inability of DTC to provide services with respect to the Certificates pursuant to subsection 2.10(a)(i) or subsection 2.10(a)(ii)(A) hereof, respectively, the Corporation shall attempt to locate another qualified Securities Depository. If, however, no substitute Securities Depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Trustee and the Corporation, is willing and able to undertake such functions upon reasonable and customary terms, the Trustee shall be obligated to deliver certificated Certificates at the expense of the beneficial owners of the Certificates, as described in this Indenture, and the Certificates shall no longer be restricted to being registered in the registration records kept by the Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names the Owner transferring or exchanging Certificates shall designate, in accordance with the provisions of this Indenture.

Section 2.11. Negotiability. Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs or cross-claims between or among the Corporation, the Trustee and the original or any intermediate owner of any Certificates.

ARTICLE III

FUNDS AND ACCOUNTS

Section 3.01. Debt Service Fund.

(a) ***Creation of the Debt Service Fund***. A special fund is hereby created and established with the Trustee to be designated "The Boulder Municipal Property Authority Taxable Certificates of Participation Debt Service Fund" (the "Debt Service Fund") and, within such fund, the Interest Account and the Principal Account.

(b) ***Payments into the Interest Account of the Debt Service Fund***. There shall be deposited into the Interest Account of the Debt Service Fund (i) that portion of each payment of Base Rentals made by the City which is designated and paid as the interest component thereof under Exhibit B to the Lease, as it may be amended; (ii) any moneys transferred to the Interest Account of the Debt Service Fund from the Cost of Issuance Fund pursuant to Section 3.02(c) hereof; and (iii) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Interest Account of the Debt Service Fund (including that portion of the Purchase Option Price to be applied to interest of the Certificates upon redemption).

(c) ***Payments into the Principal Account of the Debt Service Fund***. There shall be deposited into the Principal Account of the Debt Service Fund (i) that portion of each payment of Base Rentals made by the City which is designated and paid as the principal component thereof under Exhibit B to the Lease, as it may be amended; and

(ii) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Principal Account of the Debt Service Fund (including that portion of the Purchase Option Price to be applied to principal of the Certificates upon redemption).

(d) ***Use of Moneys in Principal Account and Interest Account of the Debt Service Fund***. Moneys in the Interest Account of the Debt Service Fund shall be used solely for the payment of interest on the Certificates and moneys in the Principal Account of the Debt Service Fund shall be used solely for the payment of the principal of the Certificates; provided that (i) in the event that there are any remaining moneys upon payment of the interest due on the Certificates, such moneys may be used for the payment of principal of the Certificates; and (ii) the Purchase Option Price and any other moneys transferred to the Debt Service Fund with specific instructions that such moneys be used to pay the redemption price of Certificates shall be used solely to pay the redemption price of Certificates.

Section 3.02. Costs of Issuance Fund.

(a) ***Creation of the Costs of Issuance Fund***. A special fund is hereby created and established with the Trustee to be designated the "The Boulder Municipal Property Authority Taxable Certificates of Participation Costs of Issuance Fund" (the "Costs of Issuance Fund").

(b) ***Deposits Into the Costs of Issuance Fund***. There shall be deposited into the Costs of Issuance Fund, from the proceeds of the sale of the Certificates, the amount set forth in Section 2.06(b) hereof.

(c) ***Use of Moneys in the Costs of Issuance Fund***. Moneys held in the Costs of Issuance Fund shall be used to pay Costs of Issuance as directed by the Corporation. After six months from the date of issuance, the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund that are not required to pay Costs of Issuance to the Interest Account of the Debt Service Fund.

Section 3.03. Acquisition Property Fund.

(a) ***Creation of the Acquisition Property Fund***. A special fund is hereby created and established with the Trustee to be designated the "The Boulder Municipal Property Authority Taxable Certificates of Participation Acquisition Property Fund" (the "Acquisition Property Fund").

(b) ***Deposits into the Acquisition Property Fund***. There shall be deposited into the Acquisition Property Fund, from the proceeds of the sale of the Certificates, the amount set forth in Section 2.06(b) hereof, and any other that are accompanied by instructions to deposit the same into the Acquisition Property Fund.

(c) ***Use of Moneys in the Acquisition Property Fund***. Amounts on deposit in the Acquisition Property Fund shall be paid to the City or such other party as a City Representative may designate to be used to acquire the Acquisition Property. If the City

shall determine that for any reason it will be unable to acquire the Acquisition Property, or if after payment of the purchase price of the Acquisition Property, amounts remain in the Acquisition Property Fund, then, upon written direction of the City Representative, amounts on deposit in the Acquisition Property Fund shall be disbursed to the City or as otherwise directed therein.

Section 3.04. Nonpresentment of Certificates. In the event any Certificate shall not be presented for payment when due, if funds sufficient to pay such Certificate shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to such Certificate. Funds so held but unclaimed by an Owner shall be delivered to the Corporation after the expiration of five years or, upon receipt by the Trustee of an opinion of Bond Counsel that such funds may be released to the Corporation on such earlier date, on any earlier date designated by the Corporation.

Section 3.05. Moneys to be Held in Trust. The Debt Service Fund and, except for the Acquisition Property Fund and the Cost of Issuance Fund and any escrow accounts established pursuant to Section 10.01 hereof, any other fund or account created hereunder shall be held by the Trustee, for the benefit of the Owners as specified in this Indenture, subject to the terms of this Indenture and the Lease.

Section 3.06. Repayment to the City From the Trustee. After payment in full of the principal of and interest on the Certificates, the fees and expenses of the Trustee and the Corporation and all other amounts required to be paid hereunder, any remaining amounts held by the Trustee pursuant hereto shall be paid to the City.

ARTICLE IV

REDEMPTION OF CERTIFICATES

Section 4.01. Redemption of Certificates in Whole Upon an Event of Nonappropriation and Nonrenewal or Event of Default under the Lease.

(a) The Certificates shall be called for redemption in whole, at a redemption price determined pursuant to subsection (b) of this Section, on any date, in the event of the occurrence of an Event of Nonappropriation and Nonrenewal under the Lease or the occurrence and continuation of an Event of Default under the Lease.

(b) The redemption price for any redemption pursuant to this Section shall be the lesser of (i) the principal amount of the Certificates, plus accrued interest to the redemption date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Lease and this Indenture with respect to an Event of Nonappropriation and Nonrenewal or the occurrence and continuation of an Event of Default that gave rise to such redemption; and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Certificates (including amounts then held in any other special trust fund or account),

which amounts shall be allocated among the Certificates in proportion to the principal amount of each Certificate. Notwithstanding any other provision hereof, the payment of the redemption price of any Certificate pursuant to this Section shall be deemed to be the payment in full of such Certificate and no Owner of any Certificate redeemed pursuant to this Section shall have any right to any payment from the Corporation, the Trustee or the City in excess of such redemption price.

(c) In addition to any other notice required to be given under this Article or any other provision hereof, the Trustee shall, immediately upon the occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default under the Lease, notify the Owners (i) that such event has occurred and (ii) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price set forth in clause (i) of subsection (b) of this Section. If the funds then available to the Trustee are sufficient to pay the redemption price set forth in clause (i) of subsection (b) of this Section, such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price set forth in clause (i) of subsection (b) of this Section, the Corporation and the Trustee shall (A) immediately pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Lease and this Indenture and (B) subject to the provisions of Article VII hereof, immediately begin to exercise and shall diligently pursue all remedies available to them under the Lease in connection with such Event of Nonappropriation and Nonrenewal or Event of Default and under this Indenture. The remainder of the redemption price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies.

Section 4.02. Redemption of Certificates in Whole Upon Payment of Purchase Option Price. The Certificates maturing on or after November 1, _____ shall be called for redemption, in whole, at a redemption price equal to the principal amount of the Certificates, plus accrued interest, on any date on and after November 1, _____, in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to purchase in full the Leased Property as provided in the Lease, upon payment of the then applicable Purchase Option Price.

Section 4.03. Optional Redemption. The Certificates maturing on or prior to November 1, 20__ shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after November 1, 20__ shall be subject to redemption prior to their respective maturity dates at the option and direction of the City, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturities as the City shall determine and by lot within a maturity, on November 1, 20__, on and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date and without a premium.

In the case of a partial redemption of Certificates pursuant to this Section, the City shall provide the Trustee with a revised Base Rentals Payment Schedule constituting a new Exhibit B to the Lease, which shall adjust the principal and interest portions of the Base Rentals to reflect the redemption of the amounts and maturities of the corresponding Certificates.

Section 4.04. Mandatory Sinking Fund Redemption. The Certificates maturing on November 1, ___ are subject to mandatory sinking fund redemption by lot on November 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

Mandatory Redemption Date (November 1)	Amount to be Redeemed

[1] Maturity date.

The Certificates maturing on November 1, ____ are subject to mandatory sinking fund redemption by lot on November 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

Mandatory Redemption Date (November 1)	Amount to be Redeemed

[1] Maturity date.

The principal amount of Certificates to be redeemed on any date pursuant to this Section shall be reduced by the principal amount of any Certificates of the same maturities that have, on or before the forty-fifth day next preceding the sinking fund redemption date, been delivered to the Trustee for cancellation or have been redeemed pursuant to Section 4.03 hereof and have not previously been applied as a credit against any sinking fund obligation.

Section 4.05. Notice of Redemption.

(a) Notice of the call for any redemption, identifying the Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States certified or registered first-class mail, at least 30 days prior to the date fixed for redemption, to the Owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings of any Certificates as to which no such failure has occurred.

(b) Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

(c) If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Certificates called for redemption, which moneys are or will be available for redemption of Certificates, such

notice shall state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 4.06. Redemption Payments.

(a) On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Certificates called for redemption, together with accrued interest thereon to the redemption date. Upon the giving of notice by the Trustee to the Owner of each Certificate to be redeemed and the deposit of such funds as may be available for redemption pursuant to this Indenture (which, in the case of redemption pursuant to Section 4.01 hereof, may be less than the full principal amount of the Outstanding Certificates and accrued interest thereon to the redemption date), interest on the Certificates or portions thereof thus called for redemption shall no longer accrue after the date fixed for redemption.

(b) The Trustee shall pay to the Owners of Certificates so redeemed the amounts due on their respective Certificates at the Operations Center of the Trustee upon presentation and surrender of the Certificates.

Section 4.07. Cancellation. All Certificates which have been redeemed shall not be reissued but shall be cancelled and cremated or otherwise destroyed by the Trustee in accordance with Section 2.09 hereof.

ARTICLE V

INVESTMENTS

All moneys held as part of any other fund, account or subaccount created hereunder shall be deposited or invested and reinvested by the Trustee, at the written direction of the City, in Permitted Investments. Any and all such deposits or investments shall be held by or under the control of the Trustee. The Trustee may make any and all such deposits or investments through its own trust department or the trust department of any bank or trust company under common control with the Trustee. Income from deposits or investments of moneys held in any escrow account established pursuant to Section 10.01 hereof shall be deposited as provided in the escrow agreement governing such escrow account. Otherwise deposits or investments shall at all times be a part of the fund, account or subaccount from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund, account or subaccount. The Trustee shall sell and reduce to cash a sufficient amount of such deposits or investments in the respective funds whenever the cash balance in the Principal Account or Interest Account of the Debt Service Fund is insufficient to pay the principal of and interest on the Certificates when due, or whenever the cash balance in any fund or account created hereunder is insufficient to satisfy the purposes of such fund or account. In computing the amount in any fund or account created hereunder for any purpose hereunder, investments shall be valued quarterly at the lower of cost (exclusive of accrued interest) or fair market value.

The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments, and the City shall promptly provide the Trustee with written direction confirming such investments. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the Corporation that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the Corporation shall be sufficient, unless the Corporation notifies the Trustee in writing to the contrary within 30 days of the date of such statement. The Trustee shall without further direction from the Corporation sell such qualified investments as and when required to make any payment for the purpose for which such investments are held.

The Trustee shall not be liable for any loss resulting from any such investment, nor from failure to preserve rights against endorsers or other prior parties to instruments evidencing any such investment. The Trustee shall be entitled to rely on all written investment instructions provided by the City hereunder and shall have no duty to monitor the compliance thereof with the restrictions set forth in Article V and in the Lease. The Trustee shall not be responsible or liable for the performance of any investment or for keeping the moneys held by it hereunder fully invested at all times

The City and the Corporation acknowledge that regulations of the Comptroller of the Currency grant the City and the Corporation the right to receive brokerage confirmations of the security transactions as they occur. The City and Corporation specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements from the Trustee which will detail all investment transactions

ARTICLE VI

COVENANTS OF THE CORPORATION

Section 6.01. Representations, Covenants and Warranties Regarding Execution, Delivery and Performance of Indenture. The Corporation represents, covenants and warrants that:

(a) The Corporation (i) is a nonprofit corporation that is organized, validly existing and in good standing under the laws of the State, (ii) is duly qualified to do business in the State and (iii) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to own the Leased Property, to lease the Leased Property to the City, to execute, deliver and perform its obligations under the Lease and hereunder, to grant the Trust Estate to the Trustee and to execute, deliver and perform its obligations hereunder.

(b) The execution, delivery and performance of this Indenture by the Corporation has been duly authorized by the Corporation.

(c) This Indenture is enforceable against the Corporation in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other

similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the constitution of the United States of America.

(d) The execution, delivery and performance of the terms of this Indenture by the Corporation does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Indenture or the Lease, or, except as specifically provided in this Indenture or the Lease, result in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the Corporation.

(e) There is no litigation or proceeding pending or threatened against the Corporation or any other Person affecting the right of the Corporation to execute, deliver or perform its obligations under this Indenture.

Section 6.02. Maintenance of Existence; Performance of Obligations.

(a) The Corporation shall at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of incorporation and bylaws, action of its board of directors and applicable law; provided, however, that this covenant shall not prevent the assumption, by operation of law or otherwise, by any Person of the rights and obligations of the Corporation hereunder, but only if and to the extent such assumption does not materially impair the rights of the Owner of any Outstanding Certificate.

(b) The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of this Indenture, the Lease, any other instrument or other arrangement to which it is a party that benefits the Owners of any Outstanding Certificates and any other Requirement of Law.

Section 6.03. Title Insurance. The Trustee shall be provided with a standard mortgagee's title insurance policy insuring the Trustee's mortgage interest in the real estate included in the Leased Property, subject only to Permitted Encumbrances, in an amount not less than the principal amount of the Certificates. Such policy, or a binding commitment therefor, shall be provided to the Trustee concurrently with the issuance of the Certificates.

Section 6.04. Sale or Encumbrance of Leased Property. As long as there are any Outstanding Certificates, and except as otherwise permitted by this Indenture and except as the Lease otherwise specifically requires, the Corporation shall not allow any lien or encumbrance thereon except for Permitted Encumbrances (including the Lease) and shall not sell or otherwise dispose of any of the Leased Property.

Section 6.05. Rights of Trustee under Lease. The Corporation hereby covenants to the Trustee for the benefit of the Owners that the Corporation will observe and comply with its obligations under the Lease, and represents and warrants that all the representations made by the Corporation in the Lease are true. Wherever in the Lease it is stated that the City will notify the Corporation, or wherever the Lease gives the Corporation or the Trustee some right or privilege, such part of the Lease shall be as if it were set forth in full in this Indenture. The Corporation agrees that the Trustee, as assignee of the Corporation under the Lease, may enforce, in its name or in the name of the Corporation, all rights of the Corporation and all obligations of the City under the Lease, for and on behalf of the Owners, whether or not the Corporation is in default under this Indenture.

Section 6.06. Defense of Trust Estate. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect its title to the Leased Property and the other property or property rights included in the Trust Estate, the grant of the Trust Estate to the Trustee under this Indenture and all the rights of the Owners under this Indenture against all claims and demands of all Persons whomsoever.

Section 6.07. Limited Activity Enterprise. The Corporation shall not engage in any activities other than the ownership and operation of property and activities related to the ownership and operation of property.

Section 6.08. Inspection of the Leased Property. The Trustee and its duly authorized agents shall have the rights (but shall have no obligation), on reasonable notice to the Corporation and the City, at all reasonable times, to examine and inspect the Leased Property (subject to such regulations as may be imposed by the Corporation and the City for security purposes). The Trustee and its duly authorized agents shall also be permitted (but shall have no obligation), at all reasonable times, to examine the books, records, reports and other papers of the Corporation with respect to the Leased Property.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Any of the following shall constitute an "Event of Default" under this Indenture:

(a) Default in the payment of the principal of any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption.

(b) Default in the payment of any installment of interest on any Certificate when the same shall become due and payable.

(c) The occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default under the Lease.

(d) Failure by the Corporation to cure any noncompliance with any other provision of this Indenture within 30 days after receiving notice of such noncompliance.

Section 7.02. Remedies on Default.

(a) Upon the occurrence of an Event of Default described in Section 7.01(c) hereof, the Trustee, as assignee of the rights of the Corporation under the Lease may, or at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall, without any further demand or notice, take one or any combination of the remedial steps described in Section 12.02 of the Lease.

(b) The Trustee shall also be entitled, upon any Event of Default described in Section 7.01(c) hereof to any moneys in any funds or accounts created hereunder (except the Acquisition Property Fund and any escrow accounts established pursuant to Section 10.01 hereof).

(c) Upon any Event of Default described in Section 7.01(a) or (b) hereof, the Trustee may take whatever action at law or in equity, including but not limited to the appointment of a receiver, may appear necessary or desirable to enforce the rights of the Owners, including but not limited to, its rights as assignee of the Corporation's rights under the Lease and as mortgagee hereunder.

(d) No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(e) Subject to Section 7.03 hereof, if any Event of Default under this Indenture shall have occurred and if requested by the Owners of a majority in aggregate principal amount of Certificates then Outstanding, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

(f) Subject to Section 7.03 hereof, the Trustee, as assignee of the rights of the Lease, shall control all remedies available to the Corporation under the Lease.

Section 7.03. Majority of Owners May Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Trustee shall not be required to act on any directive given to it pursuant to this Section unless indemnified as provided in Section 8.02 hereof.

Section 7.04. Rights and Remedies of Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default under this Indenture has occurred of which the Trustee has

been notified as provided in Section 8.02(h) hereof, or of which by Section 8.02(h) hereof it is deemed to have notice, and the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name nor unless they have also offered to the Trustee indemnity as provided in Section 8.02 hereof; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her, its or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Certificates then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Owner to enforce the payment of the principal of or interest on any Certificate at and after the maturity thereof.

Section 7.05. Purchase of Leased Property by Owner or Trustee; Application of Certificates Toward Purchase Price. Upon the occurrence of an Event of Default hereunder, the lien on the Leased Property created and vested in the Trustee hereunder may be foreclosed either by sale at public auction or by proceedings in equity. Upon any such sale, any Owner or the Trustee may bid for and purchase the Leased Property; and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in his, her, its or their own absolute right without further accountability; and any purchaser at any such sale may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash for the costs and expenses of the sale, compensation and other charges, in paying the purchase money, turn in Certificates then Outstanding in lieu of cash, equal to the amount which shall, upon distribution of the Net Proceeds of such sale and any other moneys available hereunder, be payable thereon. If the Trustee shall acquire the Leased Property, as a result of any such foreclosure sale, or any proceeding or transaction in lieu of foreclosure, the Trustee shall thereafter sell the Leased Property and may take any further lawful action with respect to the Leased Property which it shall deem to be in the best interest of the Owners, including but not limited to the enforcement of all rights and remedies set forth in the Lease and this Indenture and the taking of all other courses of action permitted herein or therein.

The foregoing paragraph notwithstanding, in no event shall the Trustee be required to foreclose on, take title to, take possession of or operate any part or all of the Leased Property unless (a) it shall have been provided with indemnity satisfactory to it from the Owners of the Certificates for the reimbursement of all expenses which it may incur and to protect it against all risk and liability related to or arising from the foreclosure, taking of title to, possession or operation of the collateral and (b) it shall have been furnished any environmental surveys or audits (including without limitation Phase audits) or any other information which in its sole judgment the Trustee deems necessary or advisable to protect the interests of the Trustee or the Owners of the Certificates. The Trustee may decline to foreclose on, take title to, take possession of or operate any part or all of the Leased Property if in its reasonable judgment based

on the materials described in clause (b) above such action might subject it to potential liability not adequately covered by the indemnity referred to in clause (a) above.

Section 7.06. Waiver of Appraisement, Valuation, Stay, Execution and Redemption Laws. The Corporation agrees, to the extent permitted by law, that upon the occurrence of an Event of Default hereunder, neither the Corporation nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement or foreclosure of this Indenture, or the absolute sale of the Trust Estate to the extent permitted hereunder, or the final and absolute surrender of possession, immediately after such sale, to the purchasers; and the Corporation, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws, and any and all right to have the estates comprised in the security intended to be hereby created marshaled upon any foreclosure of the lien hereof and agrees that the Trustee or any court having jurisdiction to foreclose such lien may sell the Leased Property as an entirety.

Section 7.07. Trustee May Enforce Rights Without Certificates. All rights of action and claims under this Indenture or any of the Certificates Outstanding hereunder may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Certificates, and any recovery of judgment shall be for the ratable benefit of the Owners, subject to the provisions hereof.

Section 7.08. Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Leased Property, the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings for the entire amount due and payable on the Certificates under this Indenture, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Owner to file a claim in its own behalf.

Section 7.09. Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default hereunder shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 7.10. No Waiver of One Event of Default to Affect Another. No waiver of any Event of Default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.11. Discontinuance of Proceedings on Event of Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and

such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Corporation, the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.12. Waivers of Events of Default. The Trustee may, in its discretion waive any Event of Default hereunder and its consequences, and notwithstanding anything else to the contrary contained in this Indenture shall do so upon the written request the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding; provided, however, that there shall not be waived without the consent of the Owners of 100% of the Certificates then Outstanding as to which the Event of Default exists (a) any Event of Default in the payment of the principal of any Outstanding Certificates at the date of maturity specified therein; or (b) any Event of Default in the payment when due of the interest on any such Certificates, unless prior to such waiver or rescission, all arrears of interest and all arrears of payments of principal then due, as the case may be (including interest on all overdue installments at the highest rate due on the Certificates), and all fees and expenses of the Trustee in connection with such Event of Default shall have been paid or provided for (including attorneys fees and expenses). In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default hereunder shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the Trustee, the City and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default hereunder, or impair any right consequent thereon.

Section 7.13. Application of Moneys in Event of Indenture Default. Any moneys received, collected or held by the Trustee following an Event of Default under this Section and any other moneys held as part of the Trust Estate (except for moneys held in the Acquisition Property Fund, the Costs of Issuance Fund or any escrow accounts established pursuant to Section 10.01 hereof) shall be applied in the following order:

(a) To the payment of the reasonable costs, expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to, its counsel fees, and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;

(b) To the payment of interest then owing on the Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference priority of one Certificate over another or of any installment of interest over any other installment of interest;

(c) To the payment of principal or redemption price (as the case may be) then owing on the Outstanding Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Certificate over another; and

(d) The surplus, if any, shall be paid to the City.

ARTICLE VIII

CONCERNING THE TRUSTEE

Section 8.01. Representations, Covenants and Warranties Regarding Execution, Delivery and Performance of Indenture. The Trustee represents, covenants and warrants that:

(a) The Trustee (i) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America, (ii) is duly qualified to do business in the State and (iii) is authorized, under its articles of association, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate (defined herein) from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture.

(b) The execution, delivery and performance of this Indenture by the Trustee has been duly authorized by the Trustee.

(c) This Indenture is enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the constitution of the United States of America.

(d) The execution, delivery and performance of the terms of this Indenture by the Trustee does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Indenture or the Lease, result in the creation or imposition of a lien or encumbrance whatsoever upon the Trust Estate or any of the property or assets of the Trustee.

(e) There is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under this Indenture.

(f) The Trustee acknowledges and recognizes that the Lease will be terminated upon the occurrence of an Event of Nonappropriation and Nonrenewal thereunder, and that a failure by the City to appropriate funds and renew the Lease in a manner that results in an Event of Nonappropriation and Nonrenewal under the Lease is a legislative act that is solely within the discretion of the City Council of the City.

Section 8.02. Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default hereunder and after the curing of all Events of Default which may have occurred under this Indenture, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise as a reasonable and prudent man would exercise or use under the circumstances in the conduct of the affairs of another.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if the attorneys, agents, receivers or employees were selected with reasonable care, and shall be entitled to act upon an Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Certificates (except in respect of the execution of the Certificates on behalf of the Trustee), for collecting any insurance moneys or for the validity of the execution by the Corporation of this Indenture, any Supplemental Indenture or any instruments of further assurance, or for the sufficiency of the security for the Certificates issued hereunder or intended to be secured hereby, or for the value of or title to the Leased Property. The Trustee shall have no obligation to perform any of the duties of the Corporation under the Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it pursuant to instructions from the Corporation in accordance with Article V hereof. The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Certificates

(d) The Trustee shall not be accountable for the use of any Certificates delivered to the Initial Purchaser hereunder. The Trustee may become the Owner of Certificates with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Certificate shall be conclusive and binding upon any Certificates issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Corporation by the Corporation Representative or such other Person as may be designated for such purpose by the Corporation, as sufficient evidence of the facts therein contained.

(g) The permissive right of the Trustee to do things enumerated in this Indenture and in the Lease shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct, including without limitation a breach of fiduciary duty.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the Corporation to cause to be made any of the payments to the Trustee required to be made by Article III hereof, unless the Trustee shall be specifically notified in writing of such Event of Default by the Corporation or by the Owners of at least 10% in aggregate principal amount of Certificates then Outstanding.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect any and all of the Leased Property (subject to such regulations as may be imposed by the Corporation or the City for security purposes), including all books, papers and records of the Corporation pertaining to the Leased Property.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand in respect of the delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee.

(m) The Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder unless it has received assurances satisfactory to it that it will be repaid.

(n) Before taking any action under Sections 7.02, 7.03, 7.04, 7.05 or 7.12 hereof at the direction of the Owners as provided therein, the Trustee may require that reasonable indemnity be furnished to it by the Owners requesting the Trustee to act for the reimbursement of all expenses (including reasonable attorneys' fees and expenses)

which it may incur and to protect it against all liability, except liability which may result from its negligence or willful default, by reason of any action so taken.

(o) Whether or not therein expressly provided, every provision of this Indenture, the Lease, or any agreement assigned to the Trustee or executed by the Trustee, or any related documents relating to the conduct, powers, or duties of, or affecting the liability or affording protection to the Trustee shall be subject to the provisions of this Article VIII. Should there be a conflict between the terms of the Indenture and the terms of the Lease, the terms of the Indenture shall control.

Section 8.03. Compensation of Trustee. During the Lease Term, the Trustee shall be entitled to compensation in accordance with its agreement with the Corporation, which, notwithstanding any other provision hereof, may be amended at any time by agreement of the Corporation and the Trustee without the consent of or notice to the Owners. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. The rights of the Trustee to payments pursuant to this Section shall be superior to the rights of the Owners with respect to the Trust Estate. The Trustee's right to receive compensation, reimbursement, indemnification of money due and owing hereunder shall survive the Trustee's resignation or removal.

Section 8.04. Resignation or Replacement of Trustee.

(a) The present or any future Trustee may resign by giving written notice to the Corporation and the City not less than 60 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of a successor qualified as provided in subsection (c) of this Section; provided, however, that if no successor is appointed within 60 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor. The present or any future Trustee may be removed at any time by the Corporation in the event the Corporation reasonably determines that the Trustee is not duly performing its obligations hereunder or that such removal is in the best interests of the Corporation or the Owners, or by an instrument in writing, executed by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, for any breach of any of the Trustee's duties hereunder. In the event the Trustee is removed, it shall be paid its outstanding fees and expenses.

(b) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Owners of a majority in aggregate principal amount of the Certificates Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys in fact duly appointed; provided that (i) the Trustee that is resigning, being removed or otherwise incapable of acting and the Owners of a majority in aggregate principal amount of the Certificates Outstanding appointing a successor Trustee shall not be the same entity or affiliates of the same entity and (ii) the Corporation may, by an instrument executed by order of the Corporation, appoint a successor until a new successor shall be appointed by the Owners as herein authorized. In the event that the Trustee which is

resigning, being removed or otherwise incapable of acting shall be the same entity or affiliates of the same entity as the Owners of a majority in aggregate principal amount of the Certificates Outstanding, the Corporation shall appoint a successor Trustee by an instrument executed by order of the Corporation. The Corporation, upon appointing any successor Trustee, shall forthwith give notice thereof to each Owner and to the City, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor appointed by the Corporation may be superseded by a successor appointed by the Owners of a majority in aggregate principal amount of the Certificates Outstanding by an instrument or concurrent instruments signed by such Owners or their attorneys in fact duly appointed, provided that the successor Trustee and such Owners of a majority in aggregate principal amount of the Certificates Outstanding shall not be the same entity or affiliates of the same entity.

(c) Every successor shall be a bank or trust company in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act hereunder, and having a capital and surplus of not less than $50,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the Corporation an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the Corporation be required by any successor for more fully and certainly vesting in and confirming to it, the said instruments in writing shall, at the reasonable discretion of the Corporation, be made, executed, acknowledged and delivered by the Corporation on request of such successor.

(d) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed and/or recorded.

Section 8.05. Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding. In case any of the Certificates to be issued hereunder shall have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Certificates shall not have been executed, any successor Trustee may execute such Certificates in the name of such successor Trustee.

Section 8.06. Intervention by Trustee. In any judicial proceeding to which the Corporation or the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners, the Trustee may intervene on behalf of Owners and shall do so if requested in writing by the Owners of at least 10% in aggregate principal amount of Certificates Outstanding.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.01. Supplemental Indentures Not Requiring Consent of Owners. The Trustee and the Corporation may, without the consent of, or notice to, the Owners, enter into a Supplemental Indenture for any one or more or all of the following purposes:

(a) to add to the covenants and agreements of the Corporation contained in this Indenture other covenants and agreements to be thereafter observed by the Corporation;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Indenture;

(c) to subject to this Indenture additional revenues, properties or collateral (including substitution of property permitted under the Lease) and to release any of the Leased Property permitted to be released by Section 8.03 of the Lease; or

(d) to effect any other changes in this Indenture which do not materially adversely affect the rights of the Owners.

Section 9.02. Supplemental Indentures Requiring Consent of Owners.

(a) Exclusive of Supplemental Indentures under Section 9.01 hereof, the written consent of not less than a majority in aggregate principal amount of the Certificates Outstanding shall be required for the execution by the Corporation and the Trustee of any Supplemental Indenture; provided, however, that without the consent of the Owners of all the Certificates Outstanding nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Certificate, or a reduction in the principal amount of any Outstanding Certificate or the rate of interest thereon, without the consent of the Owner of such Certificate;

(ii) the deprivation as to the Owner of any Certificate Outstanding of the lien created by this Indenture (other than as permitted hereby);

(iii) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted herein; or

(iv) a reduction in the percentage of the aggregate principal amount of the Certificates required for consent to any Supplemental Indenture.

(b) If at any time the Corporation shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to the Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the Corporation following the mailing of such notice, the Owners of not less than a majority, or, with respect to the matters specified in paragraphs (i) through (iv) of subsection (a) of this Section, 100%, in aggregate principal amount of the Certificates Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.03. Execution of Supplemental Indenture. The Trustee is authorized to join with the Corporation in the execution of any Supplemental Indenture entered into in accordance with this Article and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any Supplemental Indenture which affects its rights, duties or immunities under this Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such Supplemental Indenture shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Certificates issued thereafter, if any, if deemed necessary or desirable by the Trustee.

Section 9.04. Amendments, etc., of the Lease Not Requiring Consent of Owners. The Corporation may, with the prior written consent of the Trustee, but without the consent of or notice to the Owners, amend, change or modify the Lease as may be required:

(a) by the provisions of the Lease or this Indenture;

(b) for the purpose of curing any ambiguity or formal defect or omission in the Lease;

(c) in order more precisely to identify the Leased Property or to add additional or substituted improvements or properties acquired in accordance with the Lease;

(d) in connection with any Supplemental Indenture permitted by this Article;

(e) to effect any substitution and/or release of the Leased Property pursuant to Section 8.03 of the Lease; or

(f) to effect any other changes in the Lease or any project document which do not materially adversely affect the rights of the Owners.

Section 9.05. Amendments, etc., of the Lease Requiring Consent of Owners. Except for the amendments, changes or modifications permitted by Section 9.04 hereof, neither the Corporation nor the Trustee shall consent to any other amendment, change or modification of the Lease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding given and procured as provided in Section 9.02 hereof. If at any time the Corporation shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Trustee shall, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 9.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Owners.

Section 9.06. Notices to Rating Agencies.

(a) All notices, certificates, or other communications given to the Owners hereunder shall also be given to any rating agency then rating the Certificates and copies of any modification or amendment to this Indenture or the Lease shall be sent to such rating agency or agencies.

(b) Initially, the rating agencies for the Certificates shall include Moody's and S&P. So long as Moody's and S&P shall continue to rate the Certificates, notices shall be given to Moody's and S&P as set forth in Section 10.08 hereof.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture.

(a) If, when the Certificates secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Indenture, the whole amount of the principal of and interest due and payable upon all of the Certificates shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Corporation to the Trustee and the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall transfer and convey to (or to the order of) the Corporation all property assigned, pledged or mortgaged to the Trustee by the Corporation then held by the Trustee pursuant to this Indenture, and the Trustee shall execute such documents as may be reasonably required by the Corporation and shall turn over to (or to the order of) the Corporation any surplus in any fund, account or subaccount created under this Indenture, except any escrow accounts theretofore established pursuant to this Section.

(b) All or any portion of the Outstanding Certificates shall prior to the maturity or redemption date thereof be deemed to have been paid ("defeased") within the meaning and with the effect expressed in this Section if (i) in case said Certificates are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to give notice of redemption of such Certificates on said redemption date, such notice to be given on a date and otherwise in accordance with the provisions of Section 4.05 hereof; (ii) there shall have been deposited in trust either moneys in an amount which shall be sufficient, or Defeasance Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Certificates on and prior to the redemption date or maturity date thereof, as the case may be; and (iii) a certified public accountant shall have delivered a verification report, verifying the sufficiency of the deposit described in clause (ii) above. Neither the Defeasance Securities nor moneys deposited in trust pursuant to this Section or principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Certificates; provided any cash received from such principal or interest payments on such Defeasance Securities deposited in trust, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (ii) of this subsection maturing at the times and in amounts sufficient to pay when due the principal of and interest to become due on said Certificates on or prior to such redemption date or maturity date thereof, as the case may be. At such time as any Certificates shall be deemed paid as aforesaid, such Certificates shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

(c) Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Certificates pursuant to this Section becoming effective, there shall have been delivered to the Corporation and the Trustee (i) a report of an independent firm of nationally recognized certified public accountants, and addressed to the City, the Corporation, and the Trustee, verifying the sufficiency of the escrow established to pay such Certificates in full on the maturity or redemption date; (ii) an escrow agreement; (iii) any forward purchase agreement to be used in the escrow; and (iv) an opinion of Bond Counsel, addressed to the Corporation, and the Trustee, to the effect that the Certificates are no longer Outstanding, all requirements of the Indenture for such defeasance have been complied with and that such discharge or defeasance will not constitute a violation by the Corporation of its tax covenant in Section 6.03 hereof. Certificates shall be deemed Outstanding under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(d) In the event that there is a defeasance of only part of the Certificates of any maturity, the Trustee shall, if requested by the Corporation, institute a system to preserve the identity of the individual Certificates or portions thereof so defeased,

regardless of changes in Certificate numbers attributable to transfers and exchanges of Certificates.

Section 10.02. Further Assurances and Corrective Instruments. The Corporation and the Trustee agree that so long as this Indenture is in full force and effect, the Corporation and the Trustee shall have full power to carry out the acts and agreements provided herein and they will from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of this Indenture.

Section 10.03. Financial Obligations of Corporation Limited to Trust Estate. Notwithstanding any other provision hereof, all financial obligations of the Corporation under this Indenture are limited to the Trust Estate.

Section 10.04. Evidence of Signature of Owners and Ownership of Certificates.

(a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in Person or by their attorneys appointed in writing, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and

(ii) The fact of the ownership by any Person of Certificates and the amounts and numbers of such Certificates, and the date of the ownership of the same, may be proved by the registration records of the Trustee.

(b) Any request or consent of the Owner of any Certificate shall bind all transferees of such Certificate in respect of anything done or suffered to be done by the Corporation or the Trustee in accordance therewith.

Section 10.05. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Corporation, the City, the Trustee and the Owners of the Certificates, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Corporation or the Trustee shall be for the sole and exclusive benefit of the Corporation, the City, the Trustee and the Owners, and their respective successors and assigns.

Section 10.06. Corporation and Trustee Representatives. Whenever under the provisions hereof the approval of the Corporation or the Trustee is required, or the Corporation or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Corporation by the Corporation Representative and for the Trustee by the Trustee Representative, and the Corporation, the Trustee and the City shall be authorized to act on any such approval or request.

Section 10.07. Titles, Headings, Etc. The titles and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 10.08. Manner of Giving Notices. All notices, certificates or other communications hereunder shall be in writing and shall be deemed sufficiently given when mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the City:	City of Boulder Municipal Building 1777 Broadway Boulder, CO 80302 Attn: Chief Financial Officer
With a copy to:	City Attorney Municipal Building 1777 Broadway Boulder, CO 80302
if to the Corporation:	The Boulder Municipal Property Authority Municipal Building 1777 Broadway Boulder, CO 80302 Attn: President
With a copy to:	City Attorney Municipal Building 1777 Broadway Boulder, CO 80302
if to the Trustee:	U.S. Bank National Association 950 17th Street, 12th Floor Denver, CO 80202 Attention: Corporate Trust Services
if to Moody's:	Moody's Investors Service Attention: [_____]
and if to S&P:	Standard & Poor's Ratings Services, Attention: [_____]

The entities listed above may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.09. No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the Corporation or the Trustee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the Corporation or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Corporation or the Trustee or any natural Person executing this Indenture or any related document or instrument.

Section 10.10. Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right under this Indenture is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 10.11. Severability. In the event that any provision of this Indenture, other than the obligation of the Corporation to deliver the Trust Estate to the Trustee, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.12. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 10.13. Applicable Law. The laws of the State shall be applied in the interpretation, execution and enforcement of this Indenture and exclusive venue for any litigation concerning this Indenture shall lie only in Boulder County, Colorado.

Section 10.14. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page to Mortgage and Indenture of Trust follows]

IN WITNESS WHEREOF, the Corporation and the Trustee have executed this Indenture as of the date first above written.

THE BOULDER MUNICIPAL PROPERTY AUTHORITY

[SEAL]

By _____
President

Attest:

By _____
Secretary-Treasurer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Signatory

[Signature Page to Mortgage and Indenture of Trust]

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this ___ day of November, 2015, by _____ and _____ as President and Secretary-Treasurer of The Boulder Municipal Property Authority, a nonprofit corporation in good standing and organized under the laws of the State of Colorado.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary

My commission expires:

_____

[Notarization Page 1 to Mortgage and Indenture of Trust]

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ___ day of November, 2015 by _____ as _____ of U.S. Bank National Association, a national banking association.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary

My commission expires:

_____

[Notarization Page 2 to Mortgage and Indenture of Trust]

APPENDIX A

FORM OF CERTIFICATE

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATE OF PARTICIPATION
Series 2015
Evidencing Assignment Of A
Proportionate Undivided Interest In The
Right To Receive Certain Revenues Payable By The
CITY OF BOULDER, COLORADO
Under A Lease Purchase Agreement Dated As Of November 1, 2015

No. R-__ $_____

Interest Rate:	Maturity Date:	Original Issue Date:	CUSIP:
____%	November 1, _____	November __ 2015	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____

THIS CERTIFIES THAT THE REGISTERED OWNER (named above), or registered assigns, has a proportionate undivided interest in rights to receive certain revenues, as described below, pursuant to an annually renewable Lease Purchase Agreement dated as of November 1, 2015 (which Agreement as from time to time amended is referred to herein as the "Lease"), between The Boulder Municipal Property Authority, a Colorado nonprofit corporation, as lessor (the "Corporation") and the City of Boulder, Colorado, as lessee (the "City") thereunder. The interest of the Registered Owner of this Certificate Of Participation, Series 2015 (this "Certificate") is secured as provided in the Lease and in the Mortgage and Indenture of Trust dated as of November 1, 2015 (which Indenture as from time to time amended is herein referred to as the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee, or its successor (the "Trustee") for the Registered Owners of the Certificates (the "Certificate Owners"), whereby the rights (with certain exceptions) of the Corporation under the Lease have been assigned by the Corporation to the Trustee for the benefit of the Certificate Owners. Under the Indenture, the Corporation has also granted to the Trustee, for the benefit of the Certificate Owners, a mortgage on the Leased Property (as defined in the Lease). Pursuant to the Lease and the Indenture, the Registered Owner hereof is entitled to receive, solely out of and to the extent available from the sources hereinafter identified, on the Maturity Date (stated above) (or earlier as hereinafter provided), the Principal Sum (stated above), and interest thereon as described in the Indenture at the Interest Rate (stated above) and payable semiannually on May 1 and November 1 of each year, commencing May 1, 2016. Principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender of this Certificate

at the principal corporate trust office of the Trustee; and interest on this Certificate is payable to the Registered Owner hereof by check or draft of the Trustee to be mailed to such Registered Owner, on or before each interest payment date (or, if such interest payment date is not a Business Day, as defined in the Indenture, on or before the next succeeding Business Day), at the address of such Registered Owner as it last appears in the registration books kept by the Trustee; provided, however, the Trustee may make payments of interest on this Certificate by wire transfer to the extent permitted in the Indenture.

This Certificate is one of a series of Taxable Certificates of Participation, Series 2015 evidencing assignments of proportionate undivided interests in rights to receive certain revenues, as described below, pursuant to the Lease and the Indenture, executed and delivered in an aggregate principal amount of $[_____] pursuant to the Indenture for the purposes of (a) acquiring the Leased Property and (b) funding the Costs of Issuance Fund in order to pay the Costs of Issuance with respect thereto. The Leased Property has been leased by the Corporation to the City pursuant to the Lease. Under the Lease, the City has agreed to pay directly to the Trustee annual rental payments (the "Base Rentals") in consideration for its right to use the Leased Property, the proceeds of which are required by the Indenture to be distributed by the Trustee to the payment of the principal of and interest on the Certificates. In addition to the Base Rentals, the City has agreed, subject to annual appropriation, to make certain other payments (the "Additional Rentals") sufficient to pay the fees and expenses of the Trustee, certain insurance premiums, taxes, utility charges, costs of maintenance and repair and other expenses expressly required to be paid by the City under the Lease.

The Lease is subject to annual renewal at the option of the City. The obligation of the City to pay Base Rentals and Additional Rentals under the Lease will terminate in the event that the City, for any reason, fails to budget and appropriate, specifically with respect to the Lease, moneys to pay all Base Rentals and reasonably estimated Additional Rentals during the next occurring renewal term of the Lease and fails to renew the Lease. In the event that the Lease Term (as defined in the Lease) is terminated or not renewed by the City and amounts are not appropriated therefor (herein referred to as an "Event of Nonappropriation and Nonrenewal") or is terminated by reason of an Event of Default (as defined in the Lease), the principal amount of this Certificate and interest thereon will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the Trustee from the leasing of or a liquidation of the Leased Property. Under certain circumstances, this Certificate and the interest thereon may also be payable from the Net Proceeds (as defined in the Lease) of title or casualty insurance policies or condemnation awards. The Lease Term may also be terminated in the event that the City shall exercise its option to purchase the Leased Property by making payment of the Purchase Option Price (as defined in the Lease). In the event that the City shall pay the Purchase Option Price, the proceeds thereof are required to be used to pay the principal of and interest on the Certificates.

Reference is hereby made to the Lease and the Indenture for a description of the rights, duties and obligations of the City, the Corporation, the Trustee and the Certificate Owners, the terms upon which the Certificates are secured, the terms and conditions upon which the Certificates will be deemed to be paid at or prior to maturity or redemption of the Certificates upon the making of provision for the full or partial payment thereof, and the rights of the

Certificate Owners upon the occurrence of an Event of Default or an Event of Nonappropriation and Nonrenewal.

NO PROVISION OF THE CERTIFICATES, THE INDENTURE OR THE LEASE, SHALL BE CONSTRUED OR INTERPRETED (A) TO DIRECTLY OR INDIRECTLY OBLIGATE THE CITY TO MAKE ANY PAYMENT IN ANY FISCAL YEAR (DEFINED HEREIN) IN EXCESS OF AMOUNTS APPROPRIATED FOR SUCH FISCAL YEAR OR FOR ANY FISCAL YEAR FOR WHICH THE CITY HAS NOT RENEWED THE LEASE; (B) AS CREATING A DEBT OR MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE CITY WITHIN THE MEANING OF ARTICLE XI, SECTION 6 OR ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE CHARTER OR ANY OTHER CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION; OR (C) AS A LOAN OR PLEDGE OF THE CREDIT OR FAITH OF THE CITY OR AS CREATING ANY RESPONSIBILITY BY THE CITY FOR ANY DEBT OR LIABILITY OF ANY PERSON, COMPANY OR CORPORATION WITHIN THE MEANING OF ARTICLE XI, SECTION 1 OF THE COLORADO CONSTITUTION. NEITHER THE LEASE, THE INDENTURE NOR THE CERTIFICATES HAVE DIRECTLY OR INDIRECTLY OBLIGATED THE CITY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED FOR ANY FISCAL YEAR IN WHICH THE LEASE SHALL BE IN EFFECT. EXCEPT TO THE EXTENT PAYABLE FROM THE PROCEEDS OF THE SALE OF THE CERTIFICATES AND INCOME FROM THE INVESTMENT THEREOF, FROM NET PROCEEDS OF CONDEMNATION AWARDS, FROM NET PROCEEDS OF THE LEASING OF OR A LIQUIDATION OF THE LEASED PROPERTY OR FROM OTHER AMOUNTS MADE AVAILABLE UNDER THE INDENTURE, THE CERTIFICATES WILL BE PAYABLE DURING THE LEASE TERM SOLELY FROM BASE RENTALS TO BE PAID BY THE CITY UNDER THE LEASE. ALL PAYMENT OBLIGATIONS OF THE CITY UNDER THE LEASE, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION OF THE CITY TO PAY BASE RENTALS, ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE CITY IN ANY FISCAL YEAR BEYOND A FISCAL YEAR IN WHICH THE LEASE SHALL BE IN EFFECT. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AT THE OPTION OF THE CITY AND WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION AND NONRENEWAL OR AN EVENT OF DEFAULT. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE, AND THE CERTIFICATES AND THE INTEREST THEREON WILL BE PAYABLE FROM CERTAIN MONEYS, IF ANY, HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ANY MONEYS MADE AVAILABLE BY ACTION OF THE TRUSTEE REGARDING THE LEASED PROPERTY. THE CORPORATION HAS NO OBLIGATION TO MAKE ANY PAYMENTS ON THE CERTIFICATES. NEITHER THE CERTIFICATES, THE LEASE NOR THE INDENTURE SHALL GIVE RISE TO A PECUNIARY LIABILITY OF THE CORPORATION.

The Certificates are executed and delivered solely as fully registered Certificates in denominations of $5,000 and any integral multiple thereof.

This Certificate is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing on the registration books kept at the principal corporate trust

office of the Trustee upon surrender of this Certificate together with a duly executed written instrument of transfer satisfactory to the Trustee. Upon such transfer, a new fully registered Certificate or Certificates and of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, will be executed and delivered to the transferee in exchange herefor, all upon payment of the charges and subject to the terms and conditions set forth in the Indenture. The Trustee may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof, whether or not this Certificate shall be overdue, for the purpose of receiving payment and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

The Certificates shall be called for redemption in whole, at a redemption price determined as described in this paragraph on any date, in the event of the occurrence of an Event of Nonappropriation and Nonrenewal under the Lease or the occurrence and continuation of an Event of Default under the Lease. The redemption price for any redemption pursuant to this paragraph shall be the lesser of (a) the principal amount of the Certificates, plus accrued interest to the redemption date (without any premium); or (b) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Lease and the Indenture with respect to an Event of Nonappropriation and Nonrenewal or the occurrence and continuation of an Event of Default that gave rise to such redemption; and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Certificates as and to the extent provided in the Indenture, which amounts shall be allocated among the Certificates in proportion to the principal amount of each Certificate. Notwithstanding any other provision of the Indenture, the payment of the redemption price of any Certificate pursuant to this paragraph shall be deemed to be the payment in full of such Certificate and no Certificate Owner of any Certificate redeemed pursuant to this paragraph shall have any right to any payment from the Corporation, the Trustee or the City in excess of such redemption price.

The Certificates maturing on or after November 1, ____ shall be called for redemption, in whole, at a redemption price equal to the principal amount of the Certificates, plus accrued interest, on any date on and after November 1, [____], in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to purchase in full the Leased Property as provided in the Lease, upon payment of the then applicable Purchase Option Price.

The Certificates maturing on or prior to November 1, 20___ shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after November 1, 20___ shall be subject to redemption prior to their respective maturity dates at the option and direction of the City, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturities as the City shall determine and by lot within a maturity, on November 1, 20___ on and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date and without a premium.

The Certificates maturing on November 1, ___ and November 1, 2036 are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date as set forth in the Indenture.

The Trustee may waive an Event of Nonappropriation and Nonrenewal or an Event of Default under certain circumstances as provided in the Lease and the Indenture.

The Indenture permits amendments thereto and to the Lease, upon the agreement of the Corporation and the Trustee and compliance with the other requirements of the Indenture, including but not limited to, in certain cases the Certificate Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding, or, for certain amendments, the Certificate Owners of 100% in aggregate principal amount of the Certificates at the time Outstanding. The Indenture also contains provisions permitting amendments to the Indenture and the Lease without the consent of the Certificate Owners of the Certificates for certain purposes. The Indenture requires the written consent of the Trustee to any amendment of the Indenture or the Lease which modifies the rights, duties or immunities of the Trustee.

THE INDENTURE CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS CERTIFICATE AND THE TRUSTEE. THIS CERTIFICATE IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE INDENTURE, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS CERTIFICATE.

Any consent or request by the Registered Owner of this Certificate shall be conclusive and binding upon such owner and upon all future registered owners of this Certificate and of any Certificate issued upon the transfer of this Certificate whether or not notation of such consent or request is made upon this Certificate.

This Certificate is issued with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Lease, until executed on behalf of the Trustee.

IN WITNESS WHEREOF, this Certificate has been executed with the manual signature of an authorized signatory of the Trustee, all as of the date set forth below.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Signatory

Execution Date: _____

[END OF FORM OF CERTIFICATE]

APPENDIX B

DESCRIPTION OF THE LEASED PROPERTY

Public Safety Building:

East Boulder Community Center:

A tract of land located in the NW1/4 of the SW1/4 of Section 3, T1S, R70W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of the SE1/4 of the SE1/4 of Section 4, T1S, R70W of the 6th P.M., thence N00°10’19"E, 2376.80 feet along the West line of the E1/2 of the SE1/4 of said Section 4 to the Southwest Corner of that tract of land as described in Deed recorded in Book 866 at Page 192 of the records of Boulder County, Colorado; thence S86°45’49"E, 1581.54 feet to the TRUE POINT OF BEGINNING;

Thence N00°45’00"W, 316.15 feet; thence N89°40’00"E, 713.57 feet; thence S01°32’00"W, 119.00 feet; thence S17°20’00"W, 103.00 feet; thence S10°30’00"E, 157.00 feet; thence S01°55’00"E, 92.00 feet; thence N87°29’00"W, 20.00 feet; thence N59°45’00"W, 84.00 feet; thence S63°22’00"W, 330.00 feet; thence N44°53’00"W, 330.00 feet; thence N80°41’00"W, 88.00 feet to the TRUE POINT OF BEGINNING.

Area = 7.243 acres (315,509 square feet), more or less.

Park Central Building:

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2015

NEW ISSUE **RATINGS: S&P "____"**
BOOK-ENTRY ONLY **Moody's "____"**

In the opinion of Kutak Rock LLP, Special Counsel, the portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the owners of the Certificates, is included in gross income for federal and State of Colorado income tax purposes. See "TAX MATTERS."

$_____*

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of November 1, 2015, between THE BOULDER MUNICIPAL PROPERTY AUTHORITY, as lessor, and THE CITY OF BOULDER, COLORADO, as lessee

Dated: Date of Delivery **Due: November 1, as shown herein**

The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "Certificates") evidence a proportionate interest in the base rentals and other revenues under a Lease Purchase Agreement dated as of November 1, 2015 (the "Lease"), entered into between The Boulder Municipal Property Authority, as lessor (the "Corporation"), and the City of Boulder, Colorado, as lessee (the "City"). The Certificates are being executed and delivered pursuant to a Mortgage and Indenture of Trust dated as of November 1, 2015 (the "Indenture") between the Corporation, as grantor, and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to which the rights, title and interest of the Corporation in, to and under the Lease have been assigned to the Trustee.

The Certificates are issued as fully registered certificates in denominations of $5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See "THE CERTIFICATES--Book-Entry Only System." The Certificates bear interest at the rates set forth herein, payable on May 1 and November 1 of each year, commencing on May 1, 2016, to and including the maturity dates shown herein (unless the Certificates are redeemed earlier), payable to the registered owner of the Certificates, initially Cede & Co. The principal of the Certificates will be payable upon presentation and surrender at the Trustee. See "THE CERTIFICATES."

The Certificates are subject to redemption prior to maturity at the option of the City and also are subject to mandatory sinking fund redemption as described in "THE CERTIFICATES--Redemption Provisions." The Certificates are also subject to mandatory redemption upon the occurrence of certain events, including an Event of Nonappropriation or an

---

* Subject to change.

Event of Default under the Lease, as described in "THE CERTIFICATES--Redemption Provisions - Mandatory Redemption upon the Occurrence of Certain Events."

The proceeds from the issuance of the Certificates will be used to: (i) finance the cost of acquiring certain property from the Boulder Community Health Broadway campus; and (ii) pay the costs of issuing the Certificates. See "SOURCES AND USES OF FUNDS."

Neither the Lease nor the Certificates constitute a general obligation, a multiple fiscal year direct or indirect debt or other financial obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation. None of the Lease, the Indenture or the Certificates directly or indirectly obligates the City to make any payments beyond those appropriated for any fiscal year in which the Lease may be in effect. Except to the extent payable from the proceeds of the Certificates and income from the investment thereof, from the net proceeds of any performance or payment bond, net proceeds of insurance (including self-insurance), net proceeds of condemnation awards, or from net proceeds from exercising certain remedies under the Lease or from other amounts made available under the Indenture, the Certificates are payable during the lease term solely from Base Rentals payable to the Trustee under the Lease and the income from certain investments under the Indenture. All payment obligations of the City under the Lease are from year to year only. The Lease is subject to annual renewal by the City. Upon termination of the Lease, the Certificates will be payable solely from moneys, if any, held by the Trustee under the Indenture and any amounts resulting from the exercise of various remedies by the Trustee under the Lease and the Indenture, all as more fully described herein.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision and should give particular attention to the section entitled "CERTAIN RISK FACTORS."

[PIPER LOGO]

The Certificates are offered when, as, and if issued by the City and accepted by the Underwriter subject to the approval of legality of the Certificates by Kutak Rock LLP, Denver, Colorado, Special Counsel, and the satisfaction of certain other conditions. Butler Snow LLP, Denver, Colorado, has acted as special counsel to the City in connection with the Official Statement. Certain legal matters will be passed upon for the City by the City Attorney. Piper Jaffray & Co., Denver, Colorado, is acting as financial advisor to the City. It is expected that the Certificates will be available for delivery through the facilities of DTC, on or about _____, 2015.*

This Official Statement is dated _____, 2015

_____

$_____*

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of November 1, 2015, between THE BOULDER MUNICIPAL PROPERTY AUTHORITY, as lessor, and THE CITY OF BOULDER, COLORADO, as lessee

MATURITY SCHEDULE*
(CUSIP© 6-DIGIT ISSUER NUMBER: _____)

Maturing (November 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP© Issue Number	Maturing (November 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP© Issue Number
2016					2027				
2017					2028				
2018					2029				
2019					2030				
2020					2031				
2021					2032				
2022					2033				
2023					2034				
2024					2035				
2025					2036				
2026					2037				

* Subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Certificates in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter. The City maintains an internet website; however, the information presented there is not to be relied upon in making an investment decision with respect to the Certificates.

The information set forth in this Official Statement has been obtained from the City, from the sources referenced throughout this Official Statement and from other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information received from parties other than the City. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

In accordance with their responsibilities under federal securities laws, the Underwriter has reviewed the information in this Official Statement but does not guarantee its accuracy or completeness.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Certificates have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE CERTIFICATES ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE CERTIFICATES, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CITY OF BOULDER, COLORADO

CITY COUNCIL
Matthew Appelbaum, Mayor
Suzanne Jones, Mayor Pro Tem
Lisa Morzel, Council member
Macon Cowles, Council member
George Karakehian, Council member
Tim Plass, Council member
Andrew Shoemaker, Council member
Sam Weaver, Council member
Mary Young, Council member

CITY OFFICIALS
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Bob Eichem, Chief Financial Officer

SPECIAL COUNSEL
Kutak Rock LLP
Denver, Colorado

SPECIAL DISCLOSURE COUNSEL
Butler Snow LLP
Denver, Colorado

TRUSTEE, REGISTRAR AND PAYING AGENT
U.S. Bank National Association

FINANCIAL ADVISOR
Piper Jaffray & Co.
Denver, Colorado

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OFFICIAL STATEMENT

$_____*

THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of November 1, 2015, between THE BOULDER MUNICIPAL PROPERTY AUTHORITY, as lessor, and THE CITY OF BOULDER, COLORADO, as lessee

INTRODUCTION

General

This Official Statement, including the cover page, inside cover page and appendices, is furnished in connection with the execution, delivery and sale of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015, in the aggregate principal amount of $_____* (the "Certificates"), each evidencing proportionate interests in the base rentals and other revenues under an annually renewable Lease Purchase Agreement dated as of November 1, 2015 (the "Lease"), entered into between The Boulder Municipal Property Authority, as lessor (the "Corporation"), and the City of Boulder, Colorado, as lessee (the "City"). The Certificates are being executed and delivered pursuant to a Mortgage and Indenture of Trust dated as of November 1, 2015 (the "Indenture") between the Corporation, as grantor, and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to which the rights, title and interest of the Corporation in, to and under the Lease have been assigned to the Trustee.. Certain of the capitalized terms used herein and not otherwise defined are defined in Appendix B to this Official Statement, which contains the forms of the Lease and the Indenture.

The offering of the Certificates is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Certificates. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein, particularly the section entitled "CERTAIN RISK FACTORS." Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page, inside cover page and appendices, is unauthorized.

The City

The City is a municipal corporation duly organized and existing under the laws of the State of Colorado. In particular, the City is a home rule city and adopted a charter pursuant to Article XX of the Colorado Constitution by vote of the electorate on October 30, 1917 (the "City Charter"). The City is located in north central Colorado, approximately 25 miles northwest of Denver. The City is situated at the base of the foothills of the Front Range of the Rocky Mountains at an altitude of 5,354 feet. The City encompasses 25 square miles, and is the county seat of Boulder County (the "County"). As of 2013, the population of the City was estimated to be approximately 104,000 persons. See "THE CITY."

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* Subject to change.

The Corporation

The Corporation was formed in 1988 as a Colorado nonprofit corporation to facilitate City financings, including but not limited to, the acquisition of real estate, property and improvements for lease to the City. In the Indenture, the Corporation assigns its rights and interests under the Lease to the Trustee for the benefit of the registered owners of the Certificates (the "Owners"). The Corporation is not financially liable for, and will not make, any Lease payments; accordingly, neither the Owners nor the Beneficial Owners (defined in Appendix C - Book-Entry Only System) will have the right to look to the Corporation for any payment of the Certificates, the interest thereon, or for any other payments. See "THE CORPORATION."

Purpose

The proceeds from the issuance of the Certificates will be used to: (i) finance the cost of acquiring certain property from the Boulder Community Health Broadway campus (the "Project"); and (ii) pay the costs of issuing the Certificates. See "SOURCES AND USES OF FUNDS."

The Certificates; Prior Redemption

The Certificates are issued solely as fully registered certificates in the denomination of $5,000, or any integral multiple thereof. The Certificates are dated as of their date of delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the Certificates is described in "THE CERTIFICATES--Payment Provisions." The Certificates initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), the securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See "THE CERTIFICATES--Book-Entry Only System."

The Certificates of each series are subject to redemption prior to maturity at the option of the City and also are subject to mandatory sinking fund redemption as described in "THE CERTIFICATES--Redemption Provisions."

The Certificates are also subject to mandatory redemption upon the occurrence of certain events, including an Event of Nonappropriation or an Event of Lease Default, as described in "THE CERTIFICATES--Redemption Provisions - Mandatory Redemption upon the Occurrence of Certain Events."

Security for the Certificates; Termination of Lease

General. The Certificates and the interest thereon are payable solely from certain revenues (the "Lease Revenues") received under the Lease, which include: (a) all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the Lease including, but not limited to, all Base Rentals, the Purchase Option Price and Net Proceeds, all other revenues derived from the Lease, and any other moneys to which the Trustee may be entitled for the benefit of the Owners but not including Additional Rentals (all as defined in Appendix B).

At the time of execution and delivery of the Certificates, the City will sell the Leased Property (defined below) to the Corporation and the Corporation will lease the Leased Property back to the City pursuant to the terms of the Lease.

Under the Indenture, the Trustee, for the benefit of the Owners of the Certificates, is to receive Base Rentals payable by the City under the Lease. The amount and timing of the Base Rentals are designed to provide sufficient money to the Trustee to pay the principal of and interest on the Certificates when due. The Trustee is to deposit to the Debt Service Fund created under the Indenture all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the Lease, including all Base Rentals, the Purchase Option Price and Net Proceeds (but not Additional Rentals). See Appendix B – Form of Lease and Indenture.

The Leased Property. The Leased Property consists of the following City buildings and associated land: the City Public Safety Center, the East Boulder Community Center, and the Park Central Building. Each of these properties is described in more detail in "SECURITY FOR THE CERTIFICATES--Leased Property."

Sources of Payment of Base Rentals. Payment of Base Rentals and Additional Rentals by the City constitute currently appropriated expenditures of the City and may be paid from any legally available funds of the City, and no City revenues are specifically pledged to such payments. See "CITY FINANCIAL INFORMATION."

Neither the Lease nor the Certificates constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or statutory debt limitation. Neither the Certificates nor the Lease will directly or indirectly obligate the City to make any payments other than those which may be appropriated by the City for each fiscal year.

Neither the Trustee nor the Corporation has any obligation to and will not make any payments on the Certificates pursuant to the Lease or otherwise.

Termination of Lease; Annual Appropriation. The Lease constitutes a one-year lease of the Leased Property which is annually renewable for additional one-year terms as described in the Lease. The City must take action annually in order to renew the Lease term for another year. If the City fails to take such action, the Lease automatically will be terminated. The City's decision to terminate its obligations under the Lease will be determined by the failure of the City Council of the City (the "Council") to appropriate sufficient amounts authorized and directed to be used to pay all Base Rentals scheduled to be paid and all Additional Rentals estimated to be payable in the next ensuing Fiscal Year. The officer of the City who is responsible for formulating budget proposals is directed under the Lease to include in the annual budget proposal submitted to the City Council, in any year in which the Lease is in effect, items for all payments required under the Lease for the ensuing Renewal Term until such time, if any, as the City may determine to not renew and terminate the Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the City that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the City Council, in its sole discretion, and not by any other department, agency or official of the City, as further provided in the Lease.

As described above, the City may determine to continue or to terminate its obligations under the Lease on an annual basis. However, any decision by the City must be

made as to all of the Leased Property then subject to the Lease. Accordingly, should the City decide not to appropriate funds in any year, the City will relinquish its rights to all of the Leased Property then subject to the Lease.

If on or before the December 31 prior to the beginning of any Fiscal Year of the City, the City fails to budget and appropriate sufficient funds to pay all Base Rentals and all reasonably estimated Additional Rentals, the City will be considered to have terminated the Lease (subject to certain waiver and cure provisions). Upon termination of the City's obligations under the Lease, the Trustee may proceed to exercise certain remedies under the Lease and the Indenture, including the leasing of the Leased Property or the sale, liquidation or disposal of the Leased Property, or take one or any combination of the steps described in the Lease. See Appendix B – Form of Lease and Indenture. The net proceeds of any such disposition are required to be applied by the Trustee toward the payment of the Certificates.

Release of Leased Property. The City has the option to purchase the Trustee's interest in the Leased Property and terminate the Lease by paying the Purchase Option Price, which is equal to the amount necessary to pay all principal and interest due on all Outstanding Certificates and any other amounts necessary to defease and discharge the Indenture, as provided in the Lease. See Appendix B – Form of Lease and Indenture. The Trustee is required to use the Purchase Option Price to pay the principal, interest, and any premium on the Certificates. See "THE CERTIFICATES--Redemption Provisions."

Partial Release or Substitution of Leased Property. In addition, certain of the Leased Property may be conveyed back to the City prior to the final payment of the Certificates. When the principal component of Base Rentals paid by the City, plus the principal amount of any Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or deemed to be paid pursuant to the Indenture, equals the amounts set forth in the table below, the cost of the corresponding portion of the Leased Property (or of any property substituted for such portion of the Leased Property pursuant to any provision of the Lease) shall be deemed to have been fully amortized and the Trustee shall execute and deliver to the City all documents necessary to release such portion of the Leased Property from the provisions of the Lease, provided, however, that the fair value of the remaining Leased Property must be at least equal to 100% of the aggregate principal amount of the Certificates then Outstanding, as certified to by the City.

Property to be Released	Aggregate Amount of Certificates Paid Prior to Release	Total Principal Amount of Certificates Remaining
Park Central Building East Boulder Community Center Public Safety Center	Full redemption price of all Certificates	$ ---

After such release and conveyance, the property so released and conveyed shall no longer be a part of the Leased Property for any purpose of the Lease or the Indenture. Also see Appendix B – Form of Lease and Indenture.

Substitution of Leased Property. The Trustee shall release any portion of the Leased Property, and shall execute all documents necessary or appropriate to reconvey such portion of the Leased Property to the City, free of all restrictions and encumbrances imposed or created by the Lease or the Indenture, upon receipt by the Trustee of the following: (a) a written

request of the City Representative for such reconveyance, describing the portion of the Leased Property to be reconveyed; (b) a certificate of the City Representative certifying (i) the fair market value of the portion of the Leased Property to be reconveyed and of any real property to be substituted for the portion of the Leased Property to be released; (ii) the disposition to be made of the portion of the Leased Property to be reconveyed and the consideration, if any, to be received therefor; (iii) that the disposition of the portion of the Leased Property to be reconveyed and the substitution therefor of the real property to be substituted for the portion of the Leased Property to be released (if any) will not materially adversely affect the ability of the City to operate the Leased Property or to fulfill its obligations under this Lease; (iv) that any real property to be substituted for the portion of the Leased Property to be reconveyed is necessary or useful to the operation of the Leased Property; and (v) that the fair market value of any real property to be substituted for the portion of the Leased Property to be reconveyed, together with cash to be paid by the City to the Trustee, if any, is at least equal to the fair market value of the portion of the Leased Property to be reconveyed; (c) appraisals of the fair market value of the portion of the Leased Property to be reconveyed and any real property to be substituted for the portion of the Leased Property to be reconveyed, respectively, by a certified general appraiser licensed as such in the State and not an employee of the City or the Corporation; and (d) supplements and amendments to the Lease and the Indenture and any other documents necessary to subject any real property to be substituted for the portion of the Leased Property to be reconveyed to the lien of the Indenture.

Professionals

Kutak Rock LLP, Denver, Colorado, has acted as Special Counsel in connection with the execution and delivery of the Certificates. Butler Snow, LLP, Denver, Colorado, has acted as special counsel to the City in connection with this Official Statement. Certain legal matters will be passed on for the City by the City Attorney. U.S. Bank National Association, will act as the Trustee, paying agent and registrar for the Certificates. The basic financial statements of the City included in this Official Statement as Appendix A have been audited by BKD LLP, Certified Public Accountants and Advisors, Denver, Colorado. See "INDEPENDENT AUDITORS." Piper Jaffray & Co., Denver, Colorado, is acting as the Financial Advisor to the City (the "Financial Advisor").

Tax Status

In the opinion of Kutak Rock LLP, Special Counsel, the portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the owners of the Certificates, is included in gross income for federal and State of Colorado income tax purposes. See "TAX MATTERS."

Continuing Disclosure Undertaking

The City will enter into a continuing disclosure undertaking (the "Disclosure Undertaking") at the time of the closing for the Certificates. The Disclosure Undertaking will be executed for the benefit of the beneficial owners of the Certificates. The Disclosure Undertaking will provide that so long as the Certificates remains outstanding, the City will provide the following information to the Municipal Securities Rulemaking Board, through the Electronic Municipal Market Access ("EMMA") system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain material events; each as specified in

the Disclosure Undertaking. The form of the Disclosure Undertaking is attached hereto as Appendix D.

The City has previously entered into several similar continuing disclosure undertakings. In certain circumstances in the past five years, the City has accidentally delayed filing updated data for tables presented in previous official statements. The City has since updated the information contained in those tables on EMMA. The City additionally notes that it did not file material event notices with respect to bond insurer downgrades or global recalibrations by rating agencies as the City does not consider those changes to be material. The City has procedures in place to assist with compliance with its continuing disclosure undertakings in the future.

Additional Information

This introduction is only a brief summary of the provisions of the Certificates, the Lease, the Indenture and the Project; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Certificates, the Lease, the Indenture and the City are included in this Official Statement. All references herein to the Certificates, the Lease, the Indenture and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change*.

Additional information and copies of the documents referred to herein are available from the City and the Financial Advisor:

City of Boulder, Colorado
Attn: Finance Department
1777 Broadway
Boulder, Colorado 80302
Telephone: (303) 441-3040

Piper Jaffray & Co.
1200 17th Street, Suite 1250
Denver, Colorado 80202
Telephone: (303) 405-0848.

CERTAIN RISK FACTORS

Investment in the Certificates involves certain risks. Each prospective investor in the Certificates is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below which could affect the payment of rentals under the Lease and could affect the market price of the Certificates to an extent that cannot be determined at this time. The factors set forth below are not intended to provide an exhaustive list of the risks associated with the purchase of the Certificates.

Nonappropriation

Prospective purchasers of the Certificates must look to the ability of the City to pay Base Rentals pursuant to the Lease; such Base Rentals will provide funds for payment of principal and interest on the Certificates. The City is not obligated to pay Base Rentals or Additional Rentals under the Lease unless funds are budgeted and appropriated for such rentals by the City each year. If, prior to December 31 of each year, the City Council does not budget and appropriate amounts sufficient to pay all Base Rentals for the next Fiscal Year, and to pay such Additional Rentals as are estimated to become due for the ensuing Fiscal Year, an "Event of

Nonappropriation" occurs. If an Event of Nonappropriation occurs, the City will not be obligated to make payment of the Base Rentals or Additional Rentals which accrue after the last day of the Initial or Renewal Term during which such Event of Nonappropriation occurs.

Various political, legal and economic factors could lead to the nonappropriation of sufficient funds to make the payments under the Lease, and prospective investors should carefully consider any factors which may influence the budgetary process. There is no assurance that the City Council will appropriate sufficient funds to renew the Lease each year and the City has no obligation to do so. In addition, the ability of the City to maintain adequate revenues for its operations and obligations in general (including obligations associated with the Lease) is dependent upon several factors outside the City's control, such as the economy, collections of Sales and Use Tax and changes in law. See "LEGAL MATTERS--Certain Constitutional Limitations," "SECURITY FOR THE CERTIFICATES," and "CITY FINANCIAL INFORMATION."

The obligation of the City to pay Base Rentals and Additional Rentals is limited to those City funds that are specifically budgeted and appropriated annually by the City Council for such purpose. The Lease directs the officer charged with the responsibility of formulating budget proposals to include, in the annual budget proposals submitted to the City Council, items for all payments required under the Lease for the ensuing Fiscal Year, until such time (if any) as the City Council determines that it will not renew the Lease. The Lease provides that it is the intention of the City Council that any decision not to renew the Lease is to be made solely by the City Council and not by any other official of the City. See Appendix B – Form of Lease and Indenture."

Effect of Termination of the Lease Term

In the event of termination of the City's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Default, the City is required to vacate and surrender the Leased Property. Whenever any Event of Default has happened and is continuing, the Trustee, acting for the Corporation, may, without any further demand or notice take one or any combination of the following remedial steps: (a) terminate the Lease Term and give notice to the City to immediately vacate the real property included in the Leased Property, in the manner provided in the Lease;(b) foreclose through the courts on or otherwise sell or lease its interest in all or any portion of the Leased Property; (c) recover from the City: (i) the portion of Base Rentals and Additional Rentals payable pursuant to the Lease; and (ii) the portion of Base Rentals and Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the City Council of the City, regardless of when the City vacates the Leased Property; (d) enforce any provision of the Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under the Lease by specific performance, writ of mandamus or other injunctive relief; and (e) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Lease, subject, however, to the limitations on the obligations of the City and the Corporation set forth in the Lease.

A potential purchaser of the Certificates should not assume that the amount of money received by the Trustee upon the exercise of its rights under the Lease and the Indenture after a termination of the Lease Term will be sufficient to pay the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon.

IF THE CERTIFICATES ARE REDEEMED SUBSEQUENT TO A TERMINATION OF THE LEASE TERM FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST THEREON, SUCH PARTIAL PAYMENT WILL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES PURSUANT TO THE INDENTURE; AND UPON SUCH A PARTIAL PAYMENT, NO OWNER OF ANY CERTIFICATE WILL HAVE ANY FURTHER CLAIMS FOR PAYMENT UPON THE TRUSTEE OR THE CITY.

No Reserve Fund; No Interest in Acquisition Property Fund

The Certificates are not secured by a reserve fund. If an Event of Default under the Lease or an Event of Nonappropriation occurs, the Trustee will not have access to reserve fund moneys in order to pay the costs associated with exercising its remedies or operating and maintaining the property prior to the exercise of its remedies (including the payment of any required property taxes) or to pay principal or interest on the Certificates.

The Indenture creates an Acquisition Property Fund to hold Certificate proceeds for the Project. Although the Acquisition Property Fund is held by the Trustee, the Owners of the Certificates do not have any interest in the moneys on deposit therein.

Existing and Additional Obligations Payable from Legally Available Revenues

The City has outstanding numerous leases and other financial agreements and may enter into others in the future. Some of those agreements are payable from legally available revenues of the City, which also are the source of payment for the Base Rentals. See "CITY FINANCIAL INFORMATION."

The City has outstanding its Taxable Pension Obligation Bonds, Series 2010, in the aggregate principal amount of $7,720,000 and its General Fund Bonds, Series 2012 in the aggregate principal amount of $42,485,000. These bonds are not general obligations of the City but are secured by all legally available funds and revenues of the City's General Fund.

Factors That Could Impact Value of Property if Lease is Terminated

General. Upon the termination of the Lease, the Trustee will have the right to use and possession of all of the Leased Property. However, a potential purchaser of the Certificates should not assume that it will be possible for the Trustee to lease the Leased Property or otherwise sell or dispose of its interest in the Leased Property, or any portion thereof, for an amount equal to the aggregate principal amount of the Certificates then outstanding, plus accrued interest thereon, or that such leasing or disposal can be accomplished in time to pay any installment of principal or interest on the Certificates when due.

Current Uses of Property; Restrictions; Valuation. The Leased Property will initially consist of the Public Safety Center, the East Boulder Community Center, and the Park Central Building, together with the property upon which they are located. In connection with the offering of the certificates, an appraiser with _____ certification who is employed by the City has performed an appraisal on each property included within the Leased Property (collectively the "Appraisals"). The Appraisals assign the Leased Property a cumulative value of $40,953,000, consisting of $17,746,000 for the East Boulder Community Center, $5,030,000 for the Park Central Building and $18,177,000 for the Public Safety Building. Copies of the

Appraisals are attached hereto as Appendix F. *The Appraisals were not performed by an independent appraiser, but instead by an employee of the City. An appraisal by an independent appraiser might assign a lower value to the Leased Property and there can be no assurance that the Trustee would be able to recover the values assigned to the Leased Property within the Appraisal upon an Event of Default or an Event of Nonappropriation. See SECURITY FOR THE CERTIFICATES--The Leased Property.*

There is no assurance that the current level of value of the Leased Property will continue in the future and there is no guarantee that the Trustee will be able to lease or otherwise sell or dispose of the Leased Property in an amount equal to the amount of the outstanding Certificates.

The Leased Property (or portions thereon) is subject to several title restrictions, including utility easements, an access easement, and [**To come with title commitment**].

The Leased Property is subject to present and future zoning requirements or other land use regulations imposed by the City. Currently, the Public Safety Center, the East Boulder Community Center, the New Britain Building and the Park Central Building are zoned as public property, which allows for public and semi-public facilities and uses. The South Boulder Recreation Center is zoned Residential Low 1, which allows for single-family detached residences at low to very low densities. Fire Station No. 1 is zoned Residential-Mixed 1, which allows for mixed use areas which are primarily intended to have a mix of residential and nonresidential land uses within close proximity to each other. The Trustee and any subsequent property owner may not be able to successfully modify the zoning of the Leased Property in a manner that would allow for more valuable use.

Two ballot initiatives have been certified for the City's November 2015 election relating to property development. One is intended to require those developing property to fully fund any additional City services that will be required as a result of new development. The other is intended to allow residents of an area to challenge certain changes in permitted use for property in that area by submitting those changes to a vote of the people living within the affected area. It is not clear what, if any, impact these initiatives might have on the Trustee's ability to liquidate the Leased Property or otherwise put the Leased Property to beneficial use on behalf of the Certificate owners. However, it is possible that these or other future City restrictions on development could limit the Trustee's ability to compensate Certificate owners in the event the City vacates the Leased Property and ceases making Base Rental payments.

Enforceability of Remedies; Liquidation Delays

Under the Lease, the Trustee has the right to take possession of and dispose of the Leased Property upon an Event of Nonappropriation or an Event of Default and a termination of the Lease. However, the enforceability of the Lease is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the City. Because of the use of certain of the Leased Property by the City for the public welfare, a court in any action brought to enforce the remedy of the Trustee to lease or dispose of the Leased Property may delay disposal of the Leased Property for an indefinite period, even though the City may have terminated the Lease or be in default thereunder. As long as the Trustee is unable to exercise its remedies with respect to the Leased Property as permitted under the Lease and the Indenture, it will be unable to redeem or

pay the Certificates except from funds otherwise available to the Trustee under the Indenture. See "SECURITY FOR THE CERTIFICATES."

Effect of Termination on Exemption from Registration

In the event of a termination of the City's obligations under the Lease, there is no assurance that Owners of the Certificates would be able to transfer their interests without compliance with federal securities laws.

Condemnation Risk

In the mid-1990s, the City of Sheridan, Colorado ("Sheridan") exercised its eminent domain powers to acquire an administration building it previously had leased under an annually terminable lease purchase agreement. Sheridan sought to use its condemnation power to acquire the property at a fraction of the remaining lease payments (which would be paid to owners of certificates of participation in Sheridan's lease). Sheridan's condemnation suit was successful; however, Sheridan was unable to pay the court-determined amount representing the value of the property and eventually vacated the building in favor of the trustee. Sheridan eventually reached a settlement with the trustee and reacquired possession of the building from the trustee. Pursuant to this settlement, certificate holders reportedly received less than half of the amounts due them under the terms of the certificates. The City considers the occurrence of a situation such as the one described above to be unlikely; however, there is no assurance that the Leased Property (or portions thereof) would not be condemned in the future.

Casualty Risk

If all, substantially all, or any portion of the Leased Property is damaged or destroyed by any casualty, there is no assurance that casualty insurance proceeds and other available monies of the City will be sufficient either to repair or replace the damaged or destroyed property or to pay all the outstanding Certificates, if the Certificates are called for mandatory redemption as a result of such casualty. See "THE CERTIFICATES--Redemption Provisions." Although the City believes its casualty insurance coverage is adequate, there is no assurance that such damage or destruction would not have a material adverse effect on the ability of the City to make use of the Leased Property. Delays in the receipt of casualty insurance proceeds pertaining to the Leased Property or delays in the repair, restoration or replacement of property damaged or destroyed also could have an adverse effect upon the ability of the City to make use of the Leased Property or upon its ability to make timely payment of rental payments under the Lease.

Insurance Risk

The Lease requires that until termination of the Lease Term, the City must provide property damage insurance for the Leased Property in an amount equal to the greater of: the principal amount of all Certificates Outstanding, or the full replacement value of the Leased Property. The City currently has a blanket property insurance policy covering its existing property; however, such policy is subject to annual renewal. There is no guarantee that the City will be able to acquire sufficient insurance at reasonable prices in the future. Pursuant to the Lease, if the City insures against similar risks by self-insurance, the City, at its election, may provide for public liability insurance in connection with the Leased Property partially or wholly by means of an adequate self-insurance fund. Such a self-insurance fund (if established) would

likely be funded annually by appropriation, and there is no assurance that such fund will at any time be adequately funded. There is no assurance that, in the event the Lease is terminated as a result of damage to or destruction or condemnation of the Leased Property, moneys made available by reason of any such occurrence will be sufficient to redeem the Certificates at a price equal to the principal amount thereof outstanding plus accrued interest to the redemption date. See "THE CERTIFICATES--Redemption Provisions."

Future Changes in Law

Various State laws and constitutional provisions apply to the imposition, collection, and expenditure of ad valorem property taxes, sales and use taxes, other revenues, and the operation of the City. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the City and the imposition, collection, and expenditure of its revenues. Such changes could include, but are not limited to, future restrictions on real estate development and growth in the City and State law changes in the items subject to sales taxes or exemptions therefrom.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of Lease Revenues available to pay Base Rentals and Additional Rentals under the Lease.

Secondary Market

No assurance can be given concerning the future existence of a secondary market for the Certificates or its maintenance by the Underwriter or others, and prospective purchasers of the Certificates should therefore be prepared to hold their Certificates to maturity.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds from the sale of the Certificates are expected to be applied in the following manner:

Sources and Uses of Funds

Sources of Funds:	Amount
Par amount of 2015 Certificates.....	
Plus: original issue premium.....	
Total	
Uses of Funds:	
The Project	
Costs of issuance (including Underwriter's discount)	
Total	

Source: The Financial Advisor.

The Project

The Project will consist of the acquisition of land and facilities at the Boulder Community Health Broadway campus located within the City. Boulder Community Health has relocated its emergency room and acute care functions to another site, and as a result the medically-related use of the property has been declining. The City is acquiring the property to ensure that future development on the site is consistent with the community's goals and vision and to provide city-owned office space for certain employees currently working out of leased space. The property includes approximately 8.8 acres and over 355,000 square feet of building space, including: (a) a hospital and associated grounds; (b) two separate medical buildings and; (c) a parking garage and related retail space. The campus is *not* part of the Leased Property under the Lease.

THE CERTIFICATES

General

The Certificates are issuable as fully registered certificates and initially will be registered in the name of "Cede & Co.," as nominee for DTC, the securities depository for the Certificates. Purchases by Beneficial Owners of the Certificates are to be made in book-entry only form. Payments to Beneficial Owners are to be made as described in "Book-Entry Only System" and Appendix C. The Certificates are dated the date of their execution and delivery, and bear interest from such date to maturity payable semiannually on May 1 and November 1 of each year, commencing May 1, 2016. The Certificates mature on the dates and in the amounts and bear interest at the rates set forth on the inside cover page of this Official Statement.

Payment Provisions

The principal of any Certificate shall be payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior redemption thereof and upon presentation and surrender at the Operations Center of the Trustee. Payment of interest on the Certificates shall be made by check or draft of the Trustee mailed, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the fifteenth day of the month (whether or not a Business Day) immediately preceding the month in which the Interest Payment Date (the "Record Date") Any such interest not so timely paid shall cease to be payable to the Person who is the Owner thereof at the close of business on the Record Date and shall be payable to the Person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than 10 days prior to the Special Record Date, by first-class mail to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Trustee may make payments of interest by wire transfer to any Person who is the Owner of in excess of $1,000,000 in aggregate principal amounts of the Certificates.

Notwithstanding the foregoing, payments of the principal of and interest on the Certificates will be made directly to DTC or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner of the Certificates. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of DTC's Participants and the Indirect Participants, as more fully described herein. See "Book-Entry Only System" below.

Redemption Provisions*

Redemption of Certificates in Whole Upon Payment of Purchase Option Price. The Certificates maturing on or after November 1, _____ shall be called for redemption, in whole, at a redemption price equal to the principal amount of the Certificates, plus accrued interest, on any date on and after November 1, _____, in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to

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* Subject to change.

purchase in full the Leased Property as provided in the Lease, upon payment of the then applicable Purchase Option Price.

Optional Redemption. The Certificates maturing on or prior to November 1, 20__ shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after November 1, 20__ shall be subject to redemption prior to their respective maturity dates at the option and direction of the City, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturity as the City shall determine and by lot within maturities, on November 1, 20__, on and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date and without a premium.

In the case of a partial redemption of Certificates pursuant to this Section, the City shall provide the Trustee with a revised Base Rentals Payment Schedule constituting a new Exhibit B to the Lease, which shall adjust the principal and interest portions of the Base Rentals to reflect the redemption of the amounts and maturities of the corresponding Certificates.

Mandatory Sinking Fund Redemption. The Certificates maturing on November 1, ___ are subject to mandatory sinking fund redemption by lot on November 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

Mandatory Redemption Date (November 1)	**Amount to be Redeemed**

[1] Maturity date.

The principal amount of Certificates to be redeemed on any date pursuant to this section shall be reduced by the principal amount of any Certificates of the same maturities that have, on or before the forty-fifth day next preceding the sinking fund redemption date, been delivered to the Trustee for cancellation or have been redeemed pursuant to optional redemption and have not previously been applied as a credit against any sinking fund obligation.

Redemption of Certificates in Whole Upon an Event of Nonappropriation and Nonrenewal or Event of Default under the Lease. The Certificates shall be called for redemption in whole, at a redemption price determined pursuant to the paragraph below, on any date, in the event of the occurrence of an Event of Nonappropriation and Nonrenewal under the Lease or the occurrence and continuation of an Event of Default under the Lease.

The redemption price for any redemption pursuant to this section shall be the lesser of (i) the principal amount of the Certificates, plus accrued interest to the redemption date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Lease and the Indenture with respect to an Event of Nonappropriation and Nonrenewal or the occurrence and continuation of an Event of Default that gave rise to such redemption; and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Certificates (including amounts then held in any other special trust fund or account), which amounts shall be allocated among the Certificates in proportion to the principal amount of each Certificate.

THE PAYMENT OF THE REDEMPTION PRICE OF ANY CERTIFICATE PURSUANT TO THIS SECTION SHALL BE DEEMED TO BE THE PAYMENT IN FULL OF SUCH CERTIFICATE AND NO OWNER OF ANY CERTIFICATE REDEEMED PURSUANT TO THIS SECTION FOR AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT OF SUCH CERTIFICATE PLUS ACCRUED INTEREST SHALL HAVE ANY RIGHT TO ANY PAYMENT FROM THE CORPORATION, THE TRUSTEE OR THE CITY IN EXCESS OF SUCH REDEMPTION PRICE.

In addition to any other notice required to be given under the Indenture, the Trustee shall, immediately upon the occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default under the Lease, notify the Owners (i) that such event has occurred and (ii) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price set forth in clause (i) above. If the funds then available to the Trustee are sufficient to pay the redemption price set forth in clause (i) above, such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price set forth in clause (i) above, the Corporation and the Trustee shall (A) immediately pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Lease and the Indenture and (B) subject to the provisions of the Indenture, immediately begin to exercise and shall diligently pursue all remedies available to them under the Lease in connection with such Event of Nonappropriation and Nonrenewal or Event of Default and under this Indenture. The remainder of the redemption price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies.

Notice of Redemption. Notice of the call for any redemption, identifying the Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States certified or registered first class mail, at least 30 days prior to the date fixed for redemption, to the Owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings of any Certificates as to which no such failure has occurred. Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Certificates called for redemption, which moneys are or will be available for redemption of Certificates, such notice shall state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Book-Entry Only System

The Certificates will be available only in book-entry form in the principal amount of $5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the Certificates. The ownership of one fully registered Certificate for each maturity in each series as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C--Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE CERTIFICATES, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OR REGISTERED OWNERS OF THE CERTIFICATES WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the City nor the Trustee will have any responsibility or obligation to DTC's Participants or Indirect Participants, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the Certificates as further described in Appendix C to this Official Statement.

BASE RENTALS SCHEDULE

The following table sets forth the schedule of Base Rentals for the Certificates.

Schedule of Base Rentals(1)(2)

Year	Principal	Interest	Total
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
Total			

(1) Totals may not add due to rounding.

(2) The Base Rentals are due semi-annually on April 25 and October 25 of each year that the Lease remains in effect. The Trustee will use the Base Rentals to pay the principal and interest due on the Certificates on May 1 and November 1 of each year.

Source: The Financial Advisor.

SECURITY FOR THE CERTIFICATES

General

Each Certificate evidences a proportionate interest in the right to receive certain designated Lease Revenues, including Base Rentals, under and as defined in the Lease and the Indenture. Under the Lease, the Leased Property has been leased by the Corporation to the City and the City has agreed to pay to the Trustee, on behalf of the Corporation, Base Rentals in consideration of the City's right to possess and use the Leased Property. Certain Lease Revenues, including Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Certificates and interest thereon.

The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the City. The issuance of the Certificates does not directly or contingently obligate the City to make any payments beyond those appropriated for the City's then current Fiscal Year. As more fully described under the caption "CERTAIN RISK FACTORS," the Lease is subject to renewal on an annual basis at the option of the City. The Lease Term and the schedule of payments of Base Rentals are designed to produce moneys sufficient to pay the Certificates and interest thereon when due (if the City elects not to terminate the Lease prior to the end of the Lease Term).

The Certificates shall not constitute a mandatory charge or requirement of the City in any ensuing Fiscal Year beyond the current Fiscal Year, and shall not constitute or give rise to a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City, within the meaning of any constitutional, home rule charter or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the City to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the City's then current Fiscal Year. Base Rentals and Additional Rentals may be paid from any lawfully available City monies appropriated for that purpose. See "CITY FINANCIAL INFORMATION."

In the event of termination of the City's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Default, the City is required to vacate and surrender the Leased Property. Whenever any Event of Default has happened and is continuing, the Trustee, acting for the Corporation, may, without any further demand or notice take one or any combination of the following remedial steps: (a) terminate the Lease Term and give notice to the City to immediately vacate the real property included in the Leased Property, in the manner provided in the Lease;(b) foreclose through the courts on or otherwise sell or lease its interest in all or any portion of the Leased Property; (c) recover from the City: (i) the portion of Base Rentals and Additional Rentals payable pursuant to the Lease; and (ii) the portion of Base Rentals and Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the City Council of the City, regardless of when the City vacates the Leased Property; (d) enforce any provision of the Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under the Lease by specific performance, writ of mandamus or other injunctive relief; and (e) take whatever action at law or in equity may appear necessary or desirable to enforce its

rights in and to the Leased Property under the Lease, subject, however, to the limitations on the obligations of the City and the Corporation set forth in the Lease.

The Leased Property

In accordance with State law, the City has determined to sell the Leased Property to the Corporation and lease the Leased Property back from the Corporation pursuant to the terms of the Lease. See "INTRODUCTION--Security for the Certificates; Termination of Lease - The Leased Property." In connection with the offering of the Certificates, an appraiser employed by the City has performed an Appraisal of each component of the Leased Property, the values set forth in the Appraisals are listed below. The Appraisals are additionally attached as Appendix F. *The appraised values below were generated by a City employee and not from an independent appraiser. There can be no assurance that the Trustee would be able to receive such values upon taking possession of the Leased Property. In the event the City defaults or does not appropriate under the Lease, the value recovered by the Trustee with respect to the Leased Property may be insufficient to pay the outstanding amount of the Certificates, and neither the City, the Trustee, or the Corporation will be liable for any deficiency in such amount.*

The Leased Property consists of the following City facilities:

Public Safety Building. The Public Safety Building is a 71,000 square foot building constructed in 1968 and renovated in 1989 located on a 4.09 acre site with 228 surface parking spaces. It serves as the primary facility for the Boulder Police Department as well as the administrative offices of the Fire Department. The building also includes training rooms, a firearms range, locker and workout rooms, a communications center, a DNA lab, an employee lounge, meeting rooms and storage space. The property is presently zoned for public use and is located within a 500 year flood plain. The internal City appraised value for the Public Safety Building is $18,177,000. See "CERTAIN RISK FACTORS--Factors That Could Impact Value of Property if Lease is Terminated."

East Boulder Community Center. The East Boulder Community Center is a 52,960 square-foot building constructed in 1991 located on a an approximately 7.25 acre site. The East Boulder Community Center is a recreation and senior citizen center containing an indoor leisure pool, lap pool, locker rooms, fitness center, aerobics and dance rooms, child care area, gymnasium, multipurpose rooms, senior citizen lounge, commercial kitchen, restrooms and office space. In addition, the land upon which the East Boulder Community Center is located is adjacent to the existing East Boulder Community Park, which presently contains a parking lot and athletic fields. Neither the East Boulder Community Park nor its facilities are part of the Leased Property. The property is presently zoned for public use and is located within a 100 year flood plain. The internal City appraised value for the East Boulder Community Center is $17,746,000. See "CERTAIN RISK FACTORS--Factors That Could Impact Value of Property if Lease is Terminated."

Park Central Building. The Park Central Building is a 20,910 square-foot building constructed in 1973 located on an approximately 0.35 acre site. The Park Central Building consists primarily of City offices, including the City's building permit office. The building presently holds 93 employees and the property includes 17 covered parking spaces. In addition, 1,307 square feet of the building is presently leased to the operator of a small restaurant. The property is presently zoned for public use and is located within a 100 year flood plain. The internal City appraised value for the Park Central Building is $5,030,000. See

"CERTAIN RISK FACTORS--Factors That Could Impact Value of Property if Lease is Terminated."

PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT

Ad Valorem Property Taxes

Subject to the limitations imposed by Article X, Section 20 of the State constitution (the Taxpayers Bill of Rights or "TABOR," described in "LEGAL MATTERS--Certain Constitutional Limitations"), the Board has the power to certify to the Commissioners a levy for collection of ad valorem taxes against all taxable property within the City.

Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the City. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the County Assessors to determine its statutory "actual" value. This amount is then multiplied by the appropriate assessment percentage to determine each property's assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The County Assessors annually conduct appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the county as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessors utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real property is reappraised by the County Assessors' office every odd numbered year. The statutory actual value is based on the "level of value" for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2014 (collection year 2015) were based on an analysis of sales and

other information for the period January 1, 2011 to June 30, 2012. The following table sets forth the State Property Appraisal System for property tax levy years 2011 through 2015.

Collection Year	Levy Year	Value Calculated As Of	Based on the Market Period
2012	2011	July 1, 2010	Jan. 1, 2009 to June 30, 2010
2013	2012	July 1, 2010	Jan. 1, 2009 to June 30, 2010
2014	2013	July 1, 2012	Jan. 1, 2011 to June 30, 2012
2015	2014	July 1, 2012	Jan. 1, 2011 to June 30, 2012
2016	2015	July 1, 2014	Jan. 1, 2013 to June 30, 2014

The County Assessors may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessors as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property. To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State constitution requires the Colorado General Assembly to adjust the assessment rate of residential property for each year in which a change in the base year level of value occurs. This adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year (although, notwithstanding the foregoing, TABOR prohibits any valuation for assessment ratio increase for a property class without prior voter approval).

Pursuant to the adjustment process described above, the residential assessment rate is adjusted every two years, resulting in the following history of residential assessment rates since levy year 1989: 15.00% of statutory actual value (levy years 1989-90); 14.34% of statutory actual value (levy years 1991-92); 12.86% of statutory actual value (levy years 1993-94); 10.36% of statutory actual value (levy years 1995-96); 9.74% of statutory actual value (levy years 1997-00); 9.15% of statutory actual value (levy years 2001-02); and 7.96% of statutory actual value (levy years 2003-14). In December 2014, the Colorado Legislative Council (the research division of the Colorado General Assembly) projected that the residential assessment rate will remain at 7.96% through levy year 2017. This projection is only an estimate, however, and is subject to change. The residential assessment rate cannot increase without the approval of Colorado voters.

Non-residential property. All non-residential taxable property, with certain specified exceptions, is assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the Boards of Equalization for the Counties. Upon the conclusion of such hearings, the County Assessors are required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the County Assessors to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the City's assessed valuation may be subject to modification following any such annual assessment study.

Homestead Property Tax Exemption. The Colorado Constitution provides property tax exemptions for qualifying senior citizens (adopted in 2000) and for disabled veterans (adopted in 2006). The senior citizen provision provides that for property tax collection years 2007 and later (except that the exemption was suspended for collection years 2009-2012), the exemption is equal to 50% of the first $200,000 of actual value of residential real property that is owner-occupied if the owner or his or her spouse is 65 years of age or older and has occupied such residence for at least 10 years. The disabled veterans provision provides that for property tax collection years 2008 and later, the same exemption is available to homeowners who have served on active duty in the U.S. Armed Forces and who are rated 100% permanently disabled by the federal government due to a service-connected disability. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions; therefore, it is not expected that this exemption will result in the loss of any property tax revenue to the City. There is no assurance, however, that the State reimbursement will be received in a time period which is sufficient to replace the reduced property tax revenue.

Taxation Procedure. The County Assessors are required to certify to the City the assessed valuation of property within the City no later than August 25th of each year. Subject to

the limitations of TABOR, based upon the valuation certified by the County Assessor, the Board computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the City's property tax, and together with other legally available City revenues, will raise the amount required by the City in its upcoming fiscal year. The City subsequently certifies to the Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a $250 tax on a parcel of property with an assessed valuation of $10,000.

The Commissioners levy the tax on all property subject to taxation by the City. By December 22nd of each year, the Commissioners must certify to the County Assessors the levy for all taxing entities within the applicable county. If the Commissioners fail to so certify, it is the duty of the County Assessors to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessors of the tax list and warrant to the County Treasurer.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2015 will be collected in 2015. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the City on a monthly basis. The payments to the City must be made by the tenth of each month, and shall include all taxes collected through the end of the preceding month. The County Treasurer also is required to make a second monthly payment to the City on or before the twenty-fourth day of the months of March, May and June, reflecting taxes collected through the twentieth day of the respective month.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the duty of the County Treasurer to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the City and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no

assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to a county and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Commissioners after that time.

Potential Overlap with Tax Increment Authorities. Colorado law allows the formation of public highway authorities. Pursuant to statute, the board of directors of a public highway authority is entitled to designate areas within the authority's boundaries as "value capture areas" to facilitate the financing, construction, operation or maintenance of highways constructed by the authority; an authority is entitled to capture a portion of the property taxes in such an area to support these purposes. No public highway authority currently exists within the City. If a public highway authority value capture area is implemented in the future, it is impossible to predict the terms of the plan, including whether it would negatively impact the City's property tax revenues.

Similarly, the State law allows the formation of urban renewal authorities and downtown development authorities in areas which have been designated by the governing bodies of municipalities as blighted areas. Certain property in the City currently is located within urban renewal areas authorized by the Boulder Urban Renewal Authority ("BURA"). Other redevelopment areas may be formed by BURA in the future. With respect to the property included in the boundaries of such districts and subject to a renewal plan, the assessed valuation of such property that is taxable does not increase beyond the amount existing in the year prior to the adoption of the plan (other than by means of the general reassessment). Any increase above the "base" amount is paid to the applicable authority. See "Ad Valorem Property Tax Data – History of City's Assessed Valuation" below.

Ad Valorem Property Tax Data

A five-year history of the City's certified assessed valuations is set forth in the following chart.

History of the City's Assessed Valuations

Levy/Collection Year	Total Assessed Value[1]	Percent Change
2010/2011	$2,566,046,123	--
2011/2012	2,498,113,532	(2.6)%
2012/2013	2,500,705,976	0.1
2013/2014	2,567,474,742	2.7
2014/2015	2,599,361,894	1.2
2015/2016[2]	3,174,811,152	22.1

(1) Does not include the assessed valuation attributable to the Boulder Urban Renewal Authority-9th and Canyon project in the following amounts for the respective levy years: $8,006,976 in 2010; $9,451,663 in 2011; $9,393,325 in 2012; $9,497,809 in 2013; and $0 in 2014 and 2015.

(2) Preliminary assessed value figure as of August 25, 2015. The final assessed value will not be certified until approximately December 1, 2015.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2010-2014; and the Boulder County Assessor's Office.

A five-year history of the City's mill levies is set forth in the following chart.

History of the City's Mill Levy

Levy/Collection Year	General Fund	Debt Service	Special Abatement	Total
2010/2011	10.818	0.000	0.000	10.818
2011/2012	8.748	0.000	3.233	11.981
2012/2013	8.748	0.000	3.233	11.981
2013/2014	8.748	0.000	3.233	11.981
2014/2015	8.748	0.000	3.233	11.981
2015/2016[1]	n/a	n/a	n/a	n/a

(1) The 2015/2016 mill levy will not be certified until approximately December 15, 2015.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2010-2014; and the Boulder County Assessor's Office.

The following chart sets forth the City's ad valorem property tax collections for the time periods indicated.

Property Tax Collections for the City

Levy/ Collection Year	Total Taxes Levied[1]	Total Current Tax Collections[2]	Collection Rate
2009/2010	$26,383,466	$26,327,080	99.79%
2010/2011	27,759,486	27,750,731	99.97
2011/2012	29,929,899	29,854,853	99.75
2012/2013	29,960,959	29,876,218	99.72
2013/2014	30,760,915	30,741,731	99.94
2014/2015[3]	31,142,955	30,705,735	--

(1) Levied amounts do not reflect abatements or other adjustments. Levied amounts do not include the assessed revenue attributable to the tax increment financing district in the following amounts for the respective levy years: $82,902 for 2009; $86,619 for 2010; $113,240 for 2011; $112,541 for 2012; and $113,793 for 2013. For years 2014 and beyond, the tax increment financing plan that generated these amounts is no longer active.
(2) The county treasurer's collection fees have not been deducted from these amounts. Figures do not include interest, fees and penalties.
(3) Figures are for January 1 through July 31, 2015.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2009-2014; and the Boulder County Treasurer's Office.

Based upon the most recent certified information available from the County Assessor's Office, the following chart represents the largest taxpayers within the City, measured by assessed value. A determination of the largest taxpayers can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessed value in excess of those set forth in the following chart. Furthermore, the taxpayers shown in the chart may own additional parcels within the City not included herein. No independent investigation has been made of and consequently there can be no representation as to the financial conditions of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City.

Largest Taxpayers in the City for 2014

Taxpayer Name	Assessed Valuation	Percentage of Total Assessed Valuation[1]
IBM Corporation	$51,218,537	1.97%
Ball Corporation[2]	29,280,211	1.13
Public Service Co. of Colorado	28,739,195	1.11
Macerich Twenty Ninth Street LLC	26,330,477	1.01
Qwest Corporation	18,552,800	0.71
Flatiron Investments LP	18,423,874	0.71
Corden Pharma Colorado Inc.	18,216,834	0.70
Covidien LP	18,202,539	0.70
Vail Lizard LLC	14,339,050	0.55
Amgen Inc.	13,499,246	0.52
TOTAL	$236,802,763	9.11%

(1) Based on a 2014 certified assessed valuation of $2,599,361,894.
(2) Ball Corporation includes Ball Aerospace and Technologies Corporation.

Source: Boulder County Assessor's Office.

The following table sets forth the current assessed valuation of specific classes of real and personal property within the City. Residential property accounts for the largest percentage of the City's assessed valuation, and therefore it is anticipated that owners of residential property will pay the largest percentage of ad valorem property taxes levied by the City.

2015 Preliminary Assessed Valuation of Classes of Property in the City (1)

Property Class	Total Assessed Valuation	Percent of Assessed Valuation
Residential	$1,543,595,768	48.62%
Commercial	1,261,340,681	39.73
Industrial	255,747,921	8.05
State Assessed	61,814,644	1.95
Vacant	52,015,877	1.64
Agricultural	296,029	0.01
Natural Resources	232	0.00
TOTAL	$3,174,811,152	100.00%

Source: Boulder County Assessor's Office.

Mill Levies Affecting Property Owners Within the City

In addition to the City's ad valorem property tax levy, owners of property located within the City are obligated to pay property taxes to other taxing entities in which their property is located. The following table is only a representative sample of the total mill levy and is not intended to portray the mills levied against all properties in the City. Additional taxing entities may overlap the City in the future.

2014 Sample Mill Levy Affecting City Property Owners

Taxing Entity(1)	Mill Levy(2)
Boulder Valley School District RE-2	47.569
Boulder County	24.794
Boulder Central General Improvement District	4.847
Northern Colorado Water Conservancy District	1.000
Urban Drainage and Flood Control District	0.632
Total Overlapping Sample Mill Levy	78.842
The City	11.981
Total Sample Mill Levy	90.823

(1) Regional Transportation District also overlaps the City, but does not assess a mill levy.
(2) One mill equals 1/10 of one cent. Mill levies certified in 2014 are for the collection of ad valorem property taxes in 2015.

Source: Boulder County Assessor's Office.

Estimated Overlapping General Obligation Debt

In addition to the general obligation indebtedness of the City, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the City. The following chart sets forth the estimated overlapping general obligation debt chargeable to property owners within the City.

Estimated Overlapping General Obligation Debt

Entity[1]	2014 Assessed Valuation[2]	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the City[3]	
			Percent	Debt
Boulder Valley School District RE-2	$4,927,017,546	$574,125,000	52.15%	$299,406,188
Northern Colorado Water Conservancy District[4]	15,066,440,282	4,310,040	17.20	741,327
Rocky Mountain Fire Protection District	352,636,755	7,830,000	0.27	21,141
St. Vrain Valley School District RE-1J	2,388,961,049	391,800,000	1.26	4,936,680
TOTAL				$305,105,336

(1) The following entities also overlap the City, but have no reported general obligation debt outstanding: Boulder County; City of Boulder Forest Glen General Improvement District-Eco Pass; Boulder Junction Access General Improvement District-Parking; Boulder Junction Access General Improvement District-Travel Demand Management; Boulder Rural Fire Protection District; Boulder Urban Renewal Authority-9th and Canyon project; Downtown Boulder Business Improvement District; Left Hand Water District; Regional Transportation District; University Hills General Improvement District; and Urban Drainage and Flood Control District.

(2) Assessed values certified in 2014 are for collection of ad valorem property taxes in 2015.

(3) The percentage of each entity's outstanding debt chargeable to the City is calculated by comparing the assessed valuation of the portion overlapping the City to the total assessed valuation of the overlapping entity. To the extent the City's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the City are responsible will also change.

(4) The Northern Colorado Water Conservancy District ("NCWCD") lies in eight counties. NCWCD's general obligation debt consists of a perpetual contract payable with the United States Bureau of Reclamation for the Horsetooth Dam Rehabilitation and Pole Hill Canal Refurbishment projects.

Sources: Assessors' Offices of Boulder, Gilpin, Larimer, Logan, Morgan, Sedgwick, Washington, and Weld Counties; Assessor's Office of the City and County of Broomfield; and individual taxing entities.

THE CORPORATION

General

The Corporation was formed as a Colorado nonprofit corporation in 1988. The Corporation was formed for the purpose of acquiring real and personal property, and leasing, selling or otherwise conveying the same to the City.

The Corporation is governed by a nine-member board of directors, which consists of the Mayor and Council of the City. The Corporation's officers include a President, a Vice President and a Secretary-Treasurer, which, pursuant to its Bylaws, shall be the Mayor, the Mayor Pro Tem, and the Chief Financial Officer of the City, respectively.

The Corporation's Limited Liability

The Corporation has entered into the Lease with the District solely to facilitate the financing of the Project. The Corporation assigns, pursuant to the Indenture, its rights and interests under the Lease to the Trustee for the benefit of the Owners. Since the Corporation is not financially liable for, and will not make, any Lease payments (including Base Rentals or Additional Rentals), the Owners will have no right to look to the Corporation, or its assets, for any payment of the Certificates, the interest thereon or for any other payments. In addition, the Corporation has no responsibility for or control over the expenditures of the proceeds of the Certificates. The Corporation's obligations with respect to the Certificates and the Project are strictly limited to those provided for in the Lease and the Indenture. Furthermore, neither the Lease nor the Indenture creates any pecuniary liability on the part of directors or officers of the Corporation.

THE CITY

Description

The City of Boulder, Colorado (the "City") is a municipal corporation duly organized and existing as a home rule city under Article XX of the Constitution of the State of Colorado (the "State") and the home rule charter of the City. The City, with an estimated 2013 population of approximately 104,000 is located in north central Colorado, approximately 25 miles northwest of Denver, Colorado. The City encompasses 25 square miles, and is the county seat of Boulder County.

Governing Body

The City operates under a council-manager form of government whereby all powers of the City are vested in an elected City Council. On November 2, 1999 voters approved an amendment to the City's Charter removing term limits for City Council members. The present members of the Council, their principal occupations, lengths of service to the Council, and terms of office are as follows:

Name, Office	Principal Occupation	Years of Service	Term Expires
Matthew Appelbaum, Mayor	Software Consultant	15	2017
Suzanne Jones, Mayor Pro Tem	Nonprofit Executive Director	3	2015
Lisa Morzel	Geologist	15	2015
Macon Cowles	Attorney	9	2015
George Karakehian	Business Owner	5	2015
Tim Plass	Attorney	3	2015
Andrew Shoemaker	Attorney	1	2017
Sam Weaver	CEO	1	2017
Mary Young	Consultant	1	2017

Administrative Personnel

The City Council consists of nine members elected for staggered four and two year terms. The presiding member of the City Council, as selected by the members thereof, is designated as Mayor.

Various individuals are responsible for implementation of the City Council's actions with respect the day-to-day operation and maintenance of the City. The following paragraphs summarize the background and experience of selected City administrative personnel.

The City Manager manages the day to day business of the City government; sets strategic direction to achieve the City's community sustainability goals; implements council determined policies; coordinates community issues between departments; and supervises the work of the departments.

Jane S. Brautigam, City Manager. Jane S. Brautigam was appointed City Manager in October of 2008 and is the City's first woman manager in its 90 year history. Before joining the City, Brautigam was city manager for Dublin, Ohio. Previously she worked as the city manager and city attorney for Loveland, Colorado and as assistant county attorney for Boulder County from 1983 to 1985. Ms. Brautigam began practicing law in 1976, where she focused on civil and municipal law, also serving as the city attorney for Greenwood Village, Colorado and assistant town attorney for the towns of Edgartown and Oak Bluffs, Massachusetts. Brautigam earned a Bachelor of Arts in history from Allegheny College and a law degree from the University of Pennsylvania Law School. She currently serves as a member of the Executive Board of the International City Manager's Association, one of three regional vice presidents representing the Mountain Plains region of the United States, and is a member of the board of directors of the Foothills United Way.

Robert W. Eichem, Chief Financial Officer. Mr. Eichem has been the Chief Financial Officer of the City since May 2005. He has 35 years of experience as a finance officer in Colorado local government. He has extensive experience in debt and investment portfolio management. He holds a bachelor's degree in business administration from Colorado State University. At the national level, he is the past president of the Government Finance Officers

Association (GFOA) of the United States and Canada, and has served on the board of this organization for five years. He has served twice as the President of the Colorado Government Finance Officers Association and served as the Education Chairman of the organization for 11 years. He is a member of the American Institute of Certified Public Accountants and Colorado Society of Certified Public Accountants. Mr. Eichem is frequently asked to be a panel member, speaker or instructor at national and state conferences on a variety of local government finance topics.

Growth Policy

The City and County have a jointly adopted comprehensive plan that directs new urban development to the City's service area, preserves lands outside the urban growth boundary, promotes a compact community, provides for affordable housing, and promotes alternative transportation modes.

In January 2014, the City and its service area (Areas I and II) had a population of approximately 113,690 and employment of 100,500. Approximately 30,000 students attend the University of Colorado. Over the next 20 years, the City is projected to add another 8,000 housing units, 16,000 people and 20,000 jobs. Since there is little vacant land left in the City's service area, most of this growth will occur through redevelopment.

Public Utilities

Gas and electricity for the City are provided by Public Service Company of Colorado. Rates for gas, electricity and telephone service are regulated by the Public Utilities Commission. The City is in the process of creating a municipal energy utility. See "LEGAL MATTERS – Litigation." Water and sewer services are provided by the City.

Retirement and Pension Matters

City employees are covered under several retirement plans and other, non-City funded postemployment benefits are available to employees. The matters are discussed in significant detail in Notes U, V and W to the City's audited financial statements appended hereto.

Labor Relations

Non-management, non exempt employees of most City departments are presently represented by the Boulder Municipal Employees Association (the "BMEA") through the last pay period of 2016. There are 425 standard employees represented by the BMEA. In addition, the City also has economic contracts with the police association (169 employees), renewed through the last pay period of 2015 and the firefighters' association (97 employees) renewed through the last pay period of 2016. In the opinion of the City's Human Resources Director, Joyce Lira, the City's relationship with its employees is presently satisfactory.

CITY FINANCIAL INFORMATION

Debt Limitation

Debt Limitation. The Charter limits City indebtedness to no more than three percent of the total assessed valuation of real property within the City. The 2014 assessed valuation is $2,599,361,894; therefore, the maximum general obligation debt permitted by the Charter is $77,980,856. This limit does not include revenue bonds, even if there is a contingent pledge of the full faith and credit of the City. The City presently has no indebtedness outstanding which applies toward the debt limit.

Revenue Obligations with General Obligation Pledge. Set forth below are certain obligations of the City outstanding secured with a pledge of revenues other than the Net Income and are additionally secured by a pledge of the City's full faith and credit.

Outstanding Revenue Bonds Secured by a General Obligation Pledge

Obligation	Outstanding Principal Amount
Open Space Acquisition Bonds, Series 2006	$8,975,000
Open Space Acquisition Refunding Bonds, Series 2007	6,435,000
Parks Acquisition Bonds, Series 2009	2,130,000
Waste Reduction Bonds, Series 2009	4,750,000
Open Space Acquisition Bonds, Series 2014	10,000,000
	$22,290,000

Other Revenue Obligations. The City has the authority to issue revenue obligations payable from the net revenues derived from the operation of municipality-owned utilities or other income producing projects or from the revenue received from certain taxes other than ad valorem property taxes. Such obligations do not constitute an indebtedness of the City; however, except for refinancing bonded debt at a lower interest rate, TABOR (as defined hereafter) requires that all multiple fiscal year obligations of the City have voter approval, unless the City qualifies the issuing utility as an enterprise, which would exempt the issuance of such debt from the provisions of TABOR. The following table sets forth the City's revenue obligations (other than conduit issuances) which are outstanding as of the date of this Official Statement.

Outstanding Revenue Obligations

Obligation	Outstanding Principal Amount
Water and Sewer Revenue Refunding Bonds, Series 2005B	$ 1,630,000
Water and Sewer Revenue Bonds, Series 2005C	2,145,000
Water and Sewer Revenue Refunding Bonds, Series 2007	10,290,000
Water and Sewer Revenue Bonds, Series 2010	8,380,000
Water and Sewer Revenue Refunding Bonds, Series 2011	12,510,000
Water and Sewer Revenue Refunding Bonds, Series 2012	24,325,000
Water and Sewer Revenue Bonds, Series 2015	10,075,000
Storm Water and Flood Management Revenue Refunding Bonds, Series 2010	1,430,000
Storm Water and Flood Management Revenue Bonds, Series 2015	22,845,000
TOTAL	$93,630,000

General Fund Bonds. In 2010 the City issued its Taxable Pension Obligation Bonds, Series 2010, which are presently outstanding in the aggregate principal amount of $7,720,000 and in 2012, the City issued its General Fund Bonds, Series 2012, which are presently outstanding in the aggregate principal amount of $42,485,000. These bonds are not general obligations of the City but are secured by all legally available funds and revenues of the City's General Fund.

Central Area General Improvement District. In 1970, the City created the Central Area General Improvement District ("CAGID"), which consists of a portion of the City including its core downtown area. CAGID obligations are not obligations of the City as a whole, but are limited to the CAGID area. CAGID presently has outstanding $5,450,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2009 and $6,545,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2012. These bonds are secured by certain revenues pledged by CAGID as well as a pledge of the full faith and credit of CAGID, but not the City as a whole.

Other Financial Obligations. The City has the power to create special improvement districts and to issue special assessment bonds payable from assessments against benefited properties within the district. The City does not have any outstanding special improvement districts.

Leases and Long Term Contracts. The Council has the authority to enter into installment or lease option contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval as described in "LEGAL MATTERS--Certain Constitutional Limitations." The term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment. As of December 31, 2014, the City had outstanding approximately $7,178,000 of lease purchase revenue notes, subject to annual appropriation which are payable from revenues guaranteed by the City's sales and use tax.

Mill Levy Limitations and Tax Rates

The Charter restricts the property tax levy to 13.0 mills on a dollar of assessed valuation. This limitation does not include special assessments for local improvements, payment of interest or principal on bonded indebtedness or the charter mill levy for health and hospital purposes. Article X, Section 20 of the Colorado Constitution, however, imposes limitations which are substantially more restrictive than those of the Charter. See "LEGAL MATTERS--Certain Constitutional Limitations."

Earmarked funds from the property tax include 0.900 mills for the Permanent Park and Recreation Fund, 0.333 mills for the Library Fund, and 0.400 mills for human-services purposes. The 0.400 mills for human-services purposes is included in the City's General Fund.

For levy/collection years 2004/2005 through 2008/2009, the City approved and certified a temporary mill levy rate reduction concurrently with its certification of its mill levy to the board of county commissioners. These credits were set off against the City's "gross" mill levy to arrive at a "net" mill levy. Upon receipt of any tax warrant reflecting a temporary mill levy reduction for any local government, the county treasurer is only responsible for collecting taxes on behalf of such local government based upon that local government's "net" mill levy. As such, the City's "net" mill levies for levy/collection years 2004/2005 through 2008/2009 are used in Tables IX through XI below. See also "LEGAL MATTERS--Certain Constitutional Limitations."

In the November 4, 2008 election, city voters approved the removal of the remaining TABOR restriction on property tax with a phase-in period and without any specific earmark for the use of the funds. Approval of this ballot issue had the effect of reducing the mill levy credit by up to .50 mill each year until the credit was completely eliminated. In 2012, the remaining mill levy credit completely was eliminated. The 2014 mill levy rate of 11.981 remained the same as in 2013.

Summary of City Funds

The following tables provide historic information regarding the City's General Fund. *The Certificates are not secured by a pledge of any assets or revenue allocable to the General Fund. See "SECURITY FOR THE CERTIFICATES."*

Historical Revenues, Expenditures and Changes in Fund Balance - General Fund (in thousands)

Revenues:	2009	2010	2011	2012	2013	2014)
Taxes:						
Sales and use taxes	$38,591	$39,657	$41,762	$46,314	$51,375	$55,457
General property taxes	19,702	21,746	25,436	27,234	27,194	28,041
Accommodation taxes	3,049	3,199	4,668	4,890	5,192	6,443
Franchise taxes	7,909	9,023	8,457	10,460	10,938	10,410
Specific Ownership & Tobacco taxes	1,586	1,586	1,578	1,788	1,839	1,954
Excise taxes	491	182	585	361	329	790
Charges for Services	3,498	3,601	3,871	4,264	5,032	4,374
Sale of goods	49	61	179	423	197	350
Licenses, permits and fines	5,566	6,954	6,170	6,339	6,334	6,151
Intergovernmental	1,746	2,266	1,432	3,132	1,710	3,732
Leases, rents and royalties	202	216	214	221	219	214
Interest and investment earnings	468	482	653	257	128	251
Other	1,189	477	1,088	875	745	688
Total revenues	84,046	89,450	96,093	106,558	111,232	118,855
Expenditures:						
Current:						
General Government	10,324	12,121	15,809	13,390	18,575	14,831
Administrative Services	8,735	8,583	8,504	9,149	10,024	6,773
Public Safety	43,194	53,891	45,042	47,744	48,122	50,196
Public Works	4,366	4,502	4,962	5,196	5,529	6,052
Planning & Development Services	48	43	43	43	43	58
Culture and Recreation	4,080	4,196	11,444	12,474	12,585	13,768
Open Space and Mountain Parks	183	193	247	186	193	90
Housing and Human Services	5,338	5,827	6,263	9,614	10,278	7,466
Capital outlay	5,441	--	--	1,467	--	--
Debt service payments:						
Principal	5,906	1,250	1,850	2,420	3,115	2,920
Interest	226	333	650	1,546	2,341	2,261
Base rentals to Boulder Municipal Property Authority	598	594	598	601	--	--
Cost of issuance - bonds	--	--	104	--	--	--
Total expenditures	88,439	91,561	95,516	103,830	110,805	104,415
Excess (deficiency) of revenues over (under) expenditures	(4,393)	(2,111)	577	2,728	427	14,440
Other financing sources (uses):						
Sale of capital assets	6	9	12	--	--	1
Note payable issued	5,441	--	--	--	--	--
Bonds issued	6,000	9,203	--	--	--	--
Premium on bonds issued	72	--	--	--	--	--
Extraordinary item	--	--	(1,250)	--	1,888	956
Transfers in	8,274	9,099	15,498	11,026	10,283	1,444
Transfers out	(13,519)	(13,251)	(13,681)	(7,184)	(8,411)	(8,211)
Total other financing sources (uses)	6,274	5,060	579	3,842	3,760	(5,810)
Net change in fund balance	1,881	2,949	1,156	6,570	4,187	8,630
Fund balance, beginning of year	21,452	23,333	30,529 (1)	31,685	38,255	42,442
Fund balance, end of year	$23,333	$26,282	$31,685	$38,255	$42,442	$51,072

(1) The City's beginning fund balance for the year ended December 31, 2011, was amended to reflect a change in accounting practice pursuant to GASB 54.

Source: The City's audited financial statements for the years ended December 31, 2009-2014.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the City. It is intended only to provide prospective investors with general information regarding the City's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

Population

The following table sets forth the respective populations of the City, Boulder County, and the State of Colorado for the time periods shown. Between 2000 and 2010, the population of the City increased 2.9% and that of Boulder County increased 9.2%. The State's population increased 16.9% during the same time period.

Population

Year	City of Boulder	Percent Change	Boulder County	Percent Change	Colorado	Percent Change
1970	66,870	--	131,889	--	2,207,259	--
1980	76,685	14.7%	189,625	43.8%	2,889,735	30.9%
1990	83,312	8.6	225,339	18.8	3,294,394	14.0
2000(1)	94,673	13.6	269,814	19.7	4,301,261	30.6
2010	97,385	2.9	294,567	9.2	5,029,196	16.9
2011	100,181	--	300,210	--	5,117,368	--
2012	101,363	1.2%	305,068	1.6%	5,188,504	1.4%
2013	102,760	1.4	309,874	1.6	5,264,890	1.5

(1) The Colorado State Demography Office adjusted the 2000 figure for Boulder County to reflect the 2001 creation of the City and County of Broomfield.

Sources: United States Department of Commerce, Bureau of the Census (1970-2010) and Colorado State Demography Office (2011-2013 estimates, which are subject to periodic revisions).

Income

The following table sets forth annual per capita personal income levels for Boulder County, the State and the United States. Per capita levels in Boulder County have consistently exceeded State and national levels during the period shown.

Annual Per Capita Personal Income

Year[1]	Boulder County	Colorado	United States
2009	$48,159	$41,518	$39,379
2010	48,983	41,689	40,144
2011	51,668	44,183	42,332
2012	54,502	46,315	44,200
2013	54,968	46,897	44,765
2014	--	48,730	46,129

(1) Figures for Boulder County posted November 20, 2014. State and national figures posted March 25, 2015. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The following table presents information on employment within Boulder County, the State and the United States for the period indicated.

Labor Force and Percent Unemployed

	Boulder County[1]		Colorado[1]		United States
Year	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2010	170,293	7.0%	2,724,417	8.7%	9.6%
2011	171,906	6.4	2,734,416	8.3	8.9
2012	174,308	6.1	2,757,126	7.8	8.1
2013	175,582	5.4	2,779,631	6.8	7.4
2014	177,744	4.1	2,817,334	5.0	6.2
Month of June					
2014	177,068	4.3%	2,840,182	5.1%	6.1%
2015	175,734	3.8	2,840,049	4.5	5.3

(1) Figures for Boulder County and the State are not seasonally adjusted.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Labor Force Data and United States Department of Labor, Bureau of Labor Statistics.

The following table sets forth the number of individuals employed within selected Boulder County industries which are covered by unemployment insurance. In 2014, the largest employment sector in Boulder County was professional and technical services (comprising approximately 15.1% of the county's work force), followed, in order, by educational services, health care and social assistance, manufacturing, and retail trade. For the twelve-month period ended December 31, 2014, total average employment in Boulder County increased 2.7% as compared to the same period ending December 31, 2013, and the average weekly wage increased by approximately 3.1% during the same period.

Average Number of Employees within Selected Industries - Boulder County

Industry	2010	2011	2012	2013	2014
Accommodation and Food Services	14,259	14,977	15,525	15,856	16,333
Administrative and Waste Services	5,832	6,492	6,617	6,832	7,038
Agriculture, Forestry and Fisheries	382	389	385	394	405
Arts, Entertainment and Recreation	2,749	2,788	2,813	2,861	2,978
Construction	4,086	3,831	3,993	4,259	4,709
Educational Services	18,986	19,150	19,537	19,955	20,562
Finance and Insurance	4,869	4,756	4,742	4,906	4,871
Government	7,590	7,565	7,609	7,667	7,836
Health Care and Social Assistance	17,605	18,314	18,853	19,558	19,960
Information	8,696	8,662	8,733	8,348	8,288
Management of Companies/Enterprises	923	939	1,029	1,068	1,078
Manufacturing	15,202	15,920	16,543	17,148	17,437
Mining	545	251	251	212	276
Non-classifiable	9	8	20	23	34
Other Services	4,429	4,430	4,566	4,773	4,865
Professional and Technical Services	21,504	22,628	23,721	24,422	25,603
Real Estate, Rental and Leasing	2,114	2,141	2,226	2,284	2,379
Retail Trade	15,181	15,582	16,009	16,177	16,500
Transportation and Warehousing	1,940	1,918	1,967	2,037	2,048
Utilities	332	306	292	284	292
Wholesale Trade	4,884	5,088	5,266	5,522	5,559
Total[1]	152,116	156,134	160,697	164,583	169,053

(1) Figures may not equal totals when added due to the rounding of averages or the inclusion in the total figure of employees that were not disclosed in individual classifications.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

Major Employers

The following table sets forth a selection of the largest public and private employers in the Boulder County area, which includes Boulder County, the City and County of Broomfield, and southwest Weld County. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employers in the area.

Major Employers in the Boulder County Area

Name of Employer	Product or Service	Estimated Number of Employees
University of Colorado at Boulder	Higher Education	7,964[(1)]
Boulder Valley School District	K-12 Education	4,133[(2)]
IBM	Computer Systems and Services	2,800[(3)]
St. Vrain Valley School District	K-12 Education	2,535[(4)]
Level 3 Communications Inc.	Communication and Internet Systems	2,500[(5)]
Boulder Community Health	Healthcare	2,220[(3)]
Medtronic PLC	Medical Devices and Products	2,150[(3)]
Oracle Corp.	Software and Network Computer Systems	2,000[(5)]
Boulder County	Government	1,824[(6)]
Covidien PLC[(7)]	Medical Devices and Products	1,780[(5)]

(1) Figure as of November 1, 2014. Figure does not include student employees.
(2) Figure includes full-time and part-time employees as of January 1, 2014.
(3) Figure as of May 2015 represents employees in Boulder County.
(4) Full-time equivalent employees for fiscal year 2014.
(5) Figure posted November 1, 2014 represents full-time employees in the Boulder County region.
(6) Full-time equivalent employees for fiscal year 2014.
(7) Covidien PLC includes Surgical Solutions and Respiratory and Monitoring Solutions.

Sources: *Daily Camera*, "Boulder County Area's Largest Employers in the Private Sector," posted November 1, 2014; Development Research Partners as posted by Metro Denver Economic Development Corporation; and individual public sector employers.

Retail Sales

The following table sets forth annual retail sales figures for the City, Boulder County, and the State.

Retail Sales
(in thousands)

Year	City of Boulder	Percent Change	Boulder County	Percent Change	Colorado	Percent Change
2009	$3,515,720	--	$7,975,222	--	$134,058,593	--
2010	3,873,581	10.2%	8,474,164	6.3%	143,670,319	7.2%
2011	4,204,617	8.5	9,139,050	7.8	154,697,943	7.7
2012	4,459,244	6.1	9,632,691	5.4	164,387,648	6.3
2013	4,535,302	1.7	9,991,822	3.7	172,784,033	5.1
2014(1)	4,759,003	--	10,369,463	--	182,374,957	--

(1) Figures are through the fourth quarter of 2014, but do not represent final annual figures.

Source: State of Colorado, Department of Revenue, "Sales Tax Statistics," 2009-2014.

Building Activity

The following tables provide a history of building permits issued for new residential and commercial construction in the City and the unincorporated portions of Boulder County during the time period shown.

Building Permit Issuances for New Structures in the City of Boulder

	Single Family		Multi-Family(1)		Commercial/Industrial(2)	
Year	Buildings	Value	Buildings	Value	Buildings	Value
2010	60	$14,498,758	34	$62,798,265	9	$6,254,296
2011	35	13,877,942	27	64,270,630	4	51,299,408
2012	50	23,978,967	11	50,498,662	9	63,573,730
2013	57	21,292,625	54	161,977,375	13	87,176,920
2014	83	47,911,360	42	103,430,970	20	115,793,193
2015(3)	45	21,938,026	13	40,154,957	9	47,607,303

(1) Includes permits for condos, townhomes, and multi-family dwellings.
(2) Includes permits for hotels and motels; amusement, social and recreational; industrial; offices, banks and professional; and stores.
(3) Figures are for permits issued from January 1 through July 31, 2015.

Source: City of Boulder, Planning and Development Services.

Building Permit Issuances for New Structures in Unincorporated Boulder County

	Residential		Commercial/Industrial[1]	
Year	Permits	Valuation	Permits	Valuation
2010	44	$24,294,536	-0-	-0-
2011[2]	101	38,742,276	1	$49,000
2012	58	22,436,299	1	692,000
2013	59	26,599,986	2	681,500
2014	43	27,150,645	4	2,829,000
2015[3]	27	14,572,368	1	470,000

(1) Includes new industrial buildings and manufacturing plants; offices, banks, and professional buildings; and stores, customer service buildings, and restaurants.
(2) The unusually high number of new residential permits is partially due to permits issued to replace residences destroyed by wildfire.
(3) Figures are for permits issued from January 1 through July 31, 2015.

Source: Boulder County Land Use Department, Building Safety and Inspection Division.

Foreclosure Activity

The following table sets forth the number of foreclosures filed in Boulder County during the time period shown. Such information only represents the number of foreclosures filed and does not take into account foreclosures which were filed and subsequently redeemed or withdrawn.

History of Foreclosures

Year	Boulder County	Percent Change
2010	1,352	--
2011	965	(28.6)%
2012	789	(18.2)
2013	389	(50.7)
2014	249	(36.0)
2015[1]	147	--

(1) Figures are for January 1 through August 4, 2015.

Sources: Colorado Division of Housing (2010 to 2014 figures) and Boulder County Public Trustee's Office (2015 figure).

TAX MATTERS

Generally. In the opinion of Kutak Rock LLP, Special Counsel, under existing laws, regulations, rulings and judicial decisions, the portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the Owners of the Certificates, is includible in gross income for federal and State of Colorado income tax purposes. Special Counsel has expressed no opinion regarding other federal or State of Colorado tax consequences arising with respect to the Certificates, and has expressed no opinion as to the effect of any termination of the City's obligations under the Lease, under certain circumstances as provided in the Lease, upon the treatment for federal and State of Colorado income tax purposes of any moneys received by the Owners of the Certificates subsequent to such termination.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Certificates under the Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated thereunder (final and proposed) (the "Regulations"), and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Certificates should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Certificates.

In general, interest paid on the Certificates, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Certificates, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Original Issue Discount. If the Certificates are deemed to be issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. The holder of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days he owned the instrument. The legislative history of the original issue discount provisions indicates that the calculation and accrual of original issue discount should be based on the prepayment assumptions used by the parties in pricing the transaction.

Owners of Certificates purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning such Certificates.

Premium. An investor that acquires a Certificate for a cost greater than its remaining stated redemption price at maturity and holds the Certificate as a capital asset will be considered to have purchased the Certificate at a premium and, under Section 171(c) of the

Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable certificate premium that reduces interest payments under Section 171 of the Code. Such premium is generally amortized over the Certificate's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Certificates purchased with a certificate premium should consult their own tax advisors as to the effect of such certificate premium with respect to their own tax situation and as to the treatment of certificate premium for state tax purposes.

Market Discount. An investor that acquires a Certificate for a price less than the adjusted issue price of such Certificate (or an investor who purchases a Certificate in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Certificate originally issued at a discount, the amount by which the issue price of such Certificate, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Certificate not originally issued at a discount, the amount by which the stated redemption price of such Certificate at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Certificate will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the Certificate, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a Certificate or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Certificate with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Certificate who acquired a Certificate at a market discount also may be required to defer, until the maturity date of such Certificate or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Certificate in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Certificate. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Certificate for the days during the taxable year on which the owner held the Certificate and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Certificate matures or is disposed of in a taxable

transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefor, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. Holders of the Certificates should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the Certificates as well as gain on the sale of a Certificate.

Sales or Other Dispositions. If an owner of a Certificate sells such Certificate, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such Certificate. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Certificate were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Certificate should consult its own tax advisor concerning the circumstances in which such Certificate would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance. The legal defeasance of the Certificates may result in a deemed sale or exchange of such Certificates under certain circumstances. Owners of such Certificates should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding. An owner of a Certificate may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Certificates, if such owner, upon issuance of the Certificates, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors. An owner of a Certificate that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Certificate will generally not be subject to United States income or withholding tax in respect of a payment on a Certificate, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury,

certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax will apply to interest paid and original issue discount accruing on Certificates owned by foreign investors. In those instances in which payments of interest on the Certificates continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Certificates having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Certificate.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Certificate incurs acquisition indebtedness with respect to such Certificate, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Certificate is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Certificates must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest

with respect to an ERISA Plan, including the acquisition by one from the other of the Certificates could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the City or any dealer of the Certificates might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Certificates are acquired by such plans or arrangements with respect to which the City or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Certificates. The sale of the Certificates to a plan is in no respect a representation by the City or the underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Certificates should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Changes in Federal Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Certificates issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Certificates. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Certificates or the market value thereof would be impacted thereby. Purchasers of the Certificates should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Special Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Certificates and Special Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

LEGAL MATTERS

Litigation

The City has been advised that to the best knowledge of the City Attorney as of the date of this Official Statement, there are no suits or claims currently pending or threatened against the City that will materially and adversely affect the financial condition or operations of the City; the Leased Property; the City's power to execute and deliver the Lease; the proceedings and authority under which the Certificates are issued, or affecting the validity of the Certificates; and neither the corporate existence nor the boundaries of the City or the title of its present officers to their respective offices is being contested.

The City created a municipal energy utility in 2014. Public Service Company of Colorado (known by the trade name "Xcel Energy") filed suit challenging the city decision to create a light and power utility through the adoption of Chapter 11-7, "Light and Power Utility," B.R.C. 1981 (Ordinance No. 7969). On June 25, 2015 the Boulder District Court dismissed Xcel's complaint for lack of subject matter jurisdiction. On August 12, 2015, Xcel filed a notice of appeal of that decision with the Colorado Court of Appeals. The City is presently seeking approval from the Colorado Public Utilities Commission for transfer to the city of Xcel's assets serving Boulder customers for the city to operate its own municipal electric utility. After the Public Utilities Commission proceedings, the city intends to initiate good faith negotiations, and if necessary, condemnation proceedings to acquire such property and equipment.

Xcel Energy is presently the primary provider of electric service within the City. The transition to a municipal energy utility and the related issuance of up to $214 million of bonds or other obligations to acquire existing assets of the electric system and for paying stranded costs in one complete payment have been approved by the City's voters. The completion of this process is subject to certain conditions which may or may not be met. Any obligations issued on behalf of the municipal energy utility are not anticipated to be secured by the Net Income.

Governmental Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S. (the "Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the City, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle owned or leased by the public entity; operation and maintenance of any public water, gas, sanitation, electrical, power or swimming facility; a dangerous condition of any public buildings; the operation of any public water facility; and a dangerous condition of a public highway, road or street as provided in the Immunity Act. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of $350,000; (b) for an injury to two or more persons in any single occurrence, the sum of $990,000; except in such instance, no person may recover in excess of $350,000. The Immunity Act provides for increases in those amounts every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index. The City may not be held liable under the Immunity Act either directly or by indemnification for punitive or exemplary damages unless the City voluntarily pays such damages in accordance with State law.

The City may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability

include suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Approval of Certain Legal Proceedings

In connection with the Certificates, Kutak Rock LLP, as Special Counsel, will render its opinion as to the validity of the. See Appendix D - Form of Special Counsel Opinion. Butler Snow LLP is acting as special counsel to the City in connection with this Official Statement. Certain matters will be passed upon for the City by the City Attorney.

Certain Constitutional Limitations

General. At the general election on November 3, 1992, the voters of Colorado approved Article X, Section 20 of the Colorado Constitution ("TABOR"). In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the City ("local governments"), but does not apply to "enterprises," defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Some provisions of TABOR are unclear and will require further judicial interpretation. No representation can be made as to the overall impact of TABOR on the future activities of the City, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government's spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate. The Lease does not constitute a multiple-fiscal year financial obligation of the City and thus may be entered into without an election.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service, however, can be paid without regard to any spending limits, assuming revenues are available to do so.

At the November 2, 1993 election, City voters authorized the City to collect, retain, and expend without regard to the revenue and limitations imposed by TABOR, the full proceeds of the City's sales and use tax, admission tax, accommodations tax, and non-federal grants. At the November 8, 1994 election, City voters approved an increase in the City's trash tax and an education excise tax and allowed the City to collect and spend the full proceeds of such taxes and any interest thereon.

At the November 5, 1996 election, City voters authorized the City to remove TABOR restrictions on all revenues (except property tax) and expenditures of the City, and authorized the collect, retention and expenditures of all revenues of the City free from current revenue and expenditure limitations and from any limitations that may be enacted in the future without the amendment of the City's Charter by the electors of the City.

In addition, at the November 4, 2008 election, the City voters authorized the City to remove TABOR restrictions on property tax revenues collected above the limits imposed by TABOR. The election specified that retention above TABOR limits will not rise more than .5 mills annually for tax collection years 2009 and beyond up to the maximum allowable level of property taxes and that any tax monies that are collected above those that the City may retain will be credited to property owners as an offset against the subsequent year's taxes.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The City has set aside emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase-out requirements) to reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

Police Power

The obligations of the City are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including bankruptcy.

INDEPENDENT AUDITORS

The financial statements of the City, included in this Official Statement as Appendix A have been audited by BKD LLP, Certified Public Accountants and Advisors, Denver, Colorado, independent auditors, as stated in their report appearing therein. BKD LLP has not participated in the preparation of this official statement.

FINANCIAL ADVISOR

Piper Jaffray & Co. is acting as financial advisor to the City in connection with the issuance of the Certificates.

RATINGS

Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("S&P") and Moody's Investors Service ("Moody's") have assigned the Certificates the ratings shown on the cover page of this Official Statement. An explanation of the significance of any S&P ratings may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of any Moody's ratings may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007.

Such ratings reflect only the views of the rating agencies, and there is no assurance that the ratings will be obtained or will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Certificates. Other than the City's obligations under the Disclosure Undertaking, neither the City nor the Financial Advisor has undertaken any responsibility to bring to the attention of the owners of the Certificates any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

PUBLIC SALE

The City expects to offer the Certificates at public sale on _____, 2015. See the Notice of Public Sale dated _____, 2015.

OFFICIAL STATEMENT CERTIFICATION

The preparation of this Official Statement and its distribution have been authorized by the City Council. This Official Statement is hereby duly approved by the City Council as of the date on the cover page hereof.

CITY OF BOULDER, COLORADO

By: _____
Mayor

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE: The audited basic financial statements of the City for the year ended December 31, 2014, have been excerpted from the City's Comprehensive Annual Financial Report for that year. Certain statistical tables and other information were purposely excluded from this Appendix A. Such statements provide supporting details and are not necessary for a fair presentation of the general purpose financial statement of the City.

APPENDIX B

FORM OF LEASE AND INDENTURE

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such

Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Certificates will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the City or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Certificate certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Certificate certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Agreement") is executed and delivered by the City of Boulder, Colorado (the "City") in connection with the issuance of $_____ aggregate principal amount of the Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "Certificates"). The Certificates are being issued pursuant to a Mortgage and Indenture of Trust dated November 1, 2015 (the "Indenture") between the Boulder Municipal Property Authority and U.S. Bank National Association.

In consideration of the issuance of the Certificates and the purchase of such Certificates by the owners thereof, the City hereby covenants and agrees as follows:

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the holders and owners (the "Certificate Holders") of the Certificates and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person (as defined in the Rule) with respect to the Certificates at the time the Certificates are delivered to the Participating Underwriter and that no other person is expected to become an obligated person at any time after the issuance of the Certificates.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"*Annual Financial Information*" means the financial information and operating data described in Exhibit I.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means the City's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the Charter, and as described in Exhibit I hereto.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Material Event*" means the occurrence of any of the events with respect to the Certificates set forth in Exhibit II.

"*Material Events Disclosure*" means dissemination of a notice of a Material Event as set forth in Section 5.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Certificates.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at *www.emma.msrb.org* (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"*Rule*" means Rule 15c2 12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*State*" means the State of Colorado.

"*Undertaking*" means the obligations of the City pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the Certificates is _____. The final Official Statement relating to the Certificates is dated _____, 2015 (the "Final Official Statement").

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the City hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by delivering such Annual Financial Information and the Audited Financial Statements to the MSRB by July 31st of each year.

The City is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the

MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Agreement, the City hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Certificates or defeasance of any Certificates need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Certificates pursuant to the Indenture. From and after the Effective Date, the City is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty To Update EMMA/MSRB. The City shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the City To Provide Information. The City shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the Certificate Holder of any Certificate may seek specific performance by court order to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture or the Agreement or any other agreement, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Certificate Holders of the Certificates, as determined either by parties unaffiliated with the City or by an approving vote of the Certificate Holders of the Certificates holding a majority of the aggregate principal amount of the Certificates (excluding Certificates held

by or on behalf of the City or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder when the City shall no longer have any legal liability for any obligation on or relating to the Lease Purchase Agreement dated November 1, 2015, between the City and the Boulder Municipal Property Authority relating to the Certificates. The City shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the City shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the Certificate Holders of the Certificates, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The City represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Assignment. The City shall not transfer its obligations under the Financing Agreement unless the transferee agrees to assume all obligations of the City under this Agreement or to execute a continuing disclosure undertaking under the Rule.

Section 16. Governing Law. This Agreement shall be governed by the laws of the State.

[Signature on Following Page]

CITY OF BOULDER, COLORADO

By _____
Chief Financial Officer

Dated: _____, 2015

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data exclusive of Audited Financial Statements as set forth below of the type appearing or incorporated by reference as set forth on page iv of the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB by July 31st of each year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE CERTIFICATES FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Nonpayment-related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the City *

13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

APPENDIX E

FORM OF SPECIAL COUNSEL OPINION

APPENDIX F

LEASED PROPERTY APPRAISALS

NOTICE OF SALE

$41,000,000*
THE BOULDER MUNICIPAL PROPERTY AUTHORITY
TAXABLE CERTIFICATES OF PARTICIPATION
SERIES 2015

PUBLIC NOTICE IS HEREBY GIVEN that electronic bids will be received for the purchase of the $41,000,000* aggregate principal amount of The Boulder Municipal Property Authority Taxable Certificates of Participation, Series 2015 (the "Series 2015 Certificates"), more particularly described below. As more fully described in the Preliminary Official Statement, dated October [___], 2015 (the "Preliminary Official Statement"), the City of Boulder, Colorado (the "City") is causing the Series 2015 Certificates to be offered and issued by The Boulder Municipal Property Authority (the "Corporation"), pursuant to the Bond Ordinance of the City adopted on September 15, 2015 (the "Ordinance") and a resolution of the Corporation adopted on September 15, 2015 (the "Resolution"). Bids for the purchase of the Series 2015 Certificates must be submitted through the BIDCOMP/PARITY electronic bidding system ("PARITY"). The date and time for submitting bids will be as follows:

Bid Date: **October 27, 2015**

Bid Time: **Between 11:30 a.m. and 12:00 noon Eastern Time (Between 9:30 a.m. and 10:00 a.m. Mountain Time)**

Submit Bid to: **BIDCOMP/PARITY electronic bidding system as set forth in "TERMS OF SALE—Submission of Bids"**

Delivery Date: **November 17, 2015**

Information relating to this auction may be obtained from the City's Financial Advisor, Piper Jaffray & Co. (the "Financial Advisor"), at 720-556-0167 or 303-405-0863 (P. Jonathan Heroux or Jonathan Ruth) or from PARITY at 212-849-5021.

To bid, each bidder must have both (1) a subscription to BIDCOMP and (2) requested and received admission to the bidding of the Series 2015 Certificates, as described under "TERMS OF SALE—Submission of Bids" below. The use of PARITY shall be at the bidder's risk and expense, and neither the City, the Financial Advisor, Kutak Rock LLP ("Bond Counsel") nor U.S. Bank National Association (as more specifically defined below, the "Trustee") shall have any liability with respect thereto.

Neither the City, the Trustee, the Financial Advisor, nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without

*Preliminary; subject to adjustment as set forth herein.

limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the PARITY time stamp will govern the receipt of all electronic bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Notice of Bond Sale.

This Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the Series 2015 Certificates. The information set forth herein is subject, in all respects, to a more complete description of the Series 2015 Certificates and the security therefor set forth in the Preliminary Official Statement.

BOND DETAILS

Terms. The Series 2015 Certificates will be issued in the aggregate principal amount set forth in the caption of this Notice of Bond Sale, and will be dated the date of delivery. The proceeds of the Series 2015 Certificates are being used to (a) finance the acquisition of the Boulder Community Hospital Broadway campus (the "Project"); and (b) pay costs of issuance of the Series 2015 Certificates.

Interest on the Series 2015 Certificates will be payable on each May 1 and November 1, commencing on May 1, 2016, while the Series 2015 Certificates are outstanding. The Series 2015 Certificates will mature on November 1 in each of the designated amounts and years as follows:

Maturity Schedule*

Maturity Date (November 1)	Principal Amount	Maturity Date (November 1)	Principal Amount
2016		2027	
2017		2028	
2018		2029	
2019		2030	
2020		2031	
2021		2032	
2022		2033	
2023		2034	
2024		2035	
2025		2036	
2026			

* Preliminary; subject to adjustment as set forth in "TERMS OF SALE—Adjustment of Principal Amount and of Maturities After Determination of Best Bid" herein.

The Series 2015 Certificates will be issued in registered form, in denominations of $5,000 or integral multiples thereof. The Series 2015 Certificates will be issued in book-entry form utilizing the services of The Depository Trust Company, New York, New York ("DTC") as securities depository. U.S. Bank National Association (the "Trustee") as trustee under a Mortgage and Indenture dated as of November 1, 2015 (the "Indenture"), between the Corporation and the Trustee, shall serve as Registrar, Paying Agent and Transfer Agent for the Series 2015 Certificates. CUSIP numbers will be affixed to the Series 2015 Certificates, but errors in such CUSIP numbers or the failure to affix the CUSIP numbers to the Series 2015 Certificates shall not constitute cause for the purchaser to refuse delivery of the Series 2015 Certificates.

Security. The Series 2015 Certificates evidence assignments of proportionate undivided interests in certain payments pursuant to the Lease and are secured by the Indenture, pursuant to which the Corporation will assign to the Trustee, for the benefit of the registered owners of the Series 2015 Certificates, its interest in the Lease, as well as a mortgage and security interest in the Leased Property. The Series 2015 Certificates are payable solely from amounts which may be appropriated annually by the City, from certain net proceeds of insurance policies or condemnation awards, from interest earnings on moneys in certain funds and accounts or from net proceeds from the leasing of or a liquidation of the Trustee's interest in the Leased Property.

Neither the Series 2015 Certificates nor the Lease constitutes a mandatory payment obligation in any fiscal year of the City beyond a fiscal year for which the City has appropriated

amounts to make payments under the Lease. The City may terminate its obligations under the Lease on an annual basis. The exercise by the City of its option to terminate its obligations under the Lease (an "Event of Nonappropriation and Non-Renewal") is determined by the failure of the City Council to specifically appropriate moneys sufficient to pay all Base Rentals and reasonably estimated Additional Rentals for the next renewal term of the Lease.

Redemption of Series 2015 Certificates in Whole Upon an Event of Nonappropriation and Nonrenewal or Event of Default. The Series 2015 Certificates are to be called for redemption in whole, on any date, in the event of the occurrence of an Event of Nonappropriation and Nonrenewal or the occurrence and continuation of an Event of Default under the Lease. The redemption price will be the lesser of (a) the principal amount of the Series 2015 Certificates, plus accrued interest to the redemption date (without any premium); or (b) the sum of (i) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Lease with respect to the Event of Nonappropriation and Nonrenewal or the occurrence and continuation of the Event of Default that gave rise to such redemption; and (ii) the other amounts available in the Trust Estate for payment of the redemption price of the Series 2015 Certificates, which amounts will be allocated among the Series 2015 Certificates in proportion to the principal amount of each Series 2015 Certificate. Notwithstanding any other provision of the Indenture, the payment of the redemption price of any Series 2015 Certificate pursuant to this redemption provision will be deemed to be the payment in full of such Series 2015 Certificate and no Owner of any Series 2015 Certificate redeemed pursuant to this redemption provision will have any right to any payment from the Corporation, the Trustee or the City in excess of such redemption price.

In addition to any other notice required to be given under the Indenture, the Trustee is to, immediately after the Trustee has been notified of or has knowledge of the occurrence of an Event of Nonappropriation and Nonrenewal or an Event of Default under the Lease, notify the Owners (i) that such event has occurred and (ii) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price set forth in clause (i). If the funds then available to the Trustee are sufficient to pay the redemption price set forth in clause (i), such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price set forth in clause (i) the Corporation and the Trustee shall (A) immediately pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Lease and (B) subject to the provisions of Article VII of the Indenture, immediately begin to exercise and shall diligently pursue all remedies available to them under the Lease in connection of such Event of Nonappropriation and Nonrenewal or Event of Default. The remainder of the redemption price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies.

Optional Redemption of Series 2015 Certificates in Whole Upon Payment of Purchase Option Price. The Series 2015 Certificates maturing on or after November 1, [____] shall be called for redemption, in whole, at a redemption price equal to the principal amount of the Series 2015 Certificates, plus accrued interest, on any date on and after November 1, [____], in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to purchase in full the Leased Property as provided in the Lease, upon payment of the then applicable Purchase Option Price.

Optional Redemption. The Series 2015 Certificates maturing on or prior to November 1, 20__ shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after November 1, 20__ shall be subject to redemption prior to their respective maturity dates at the option and direction of the City, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturities as the City shall determine and by lot within a maturity, on November 1, 20__, on and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date and without a premium.

Adjustment of Aggregate Principal Amount and of Maturities After Determination of Best Bid. The aggregate principal amount and the principal amount of each maturity of the Series 2015 Certificates described above are subject to adjustment by the City, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by the time of award of the Series 2015 Certificates to the successful bidder, and will not reduce or increase the aggregate principal amount of the Series 2015 Certificates by more than 25% in total principal amount. If the principal amount is modified, the underwriting discount percentage (not the dollar amount of the underwriting discount) will be held constant according to the underwriting discount percentage imputed in the reoffering yields of the successful bidder. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

By submitting its bid, each bidder agrees to purchase the Series 2015 Certificates in such adjusted principal amounts and to modify the purchase price for the Series 2015 Certificates to reflect such adjusted principal amounts. The bidder further agrees that the interest rates for the various maturities as designated by the bidder in its bid will apply to any adjusted principal amounts designated by the City for such maturities.

Amendment of Notice. In addition, the City reserves the right to amend this Notice of Bond Sale at any time prior to the date and time for receipt of bids by publishing the amendments via TM3.com and/or Bloomberg wire service.

Interest Rates and Limitations. Interest from the date of delivery will be payable on May 1, 2016, and semiannually thereafter on November 1 and May 1 in each year, as calculated based on a 360-day year of twelve 30-day months.

Only one interest rate shall be specified for any one maturity of the Series 2015 Certificates.

Each interest rate specified must be stated in a multiple of 1/8 or 1/20 of 1 percent per annum.

The maximum differential between the lowest and highest interest rates permitted for the issue is two percent (2.0%) (*i.e.,* the maximum rate of interest accruing on any Series 2015 Certificate prior to its maturity may not exceed the lowest rate of interest accruing on any other Series 2015 Certificate prior to its maturity by more than two percent (2.0%)).

A zero rate is not permitted. No supplemental or "B" interest shall be allowed.

The interest rates on the Series 2015 Certificate shall be in level or ascending order from lowest to highest.

Ratings. Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and Moody's Investors Service Inc., have assigned the Series 2015 Certificates municipal bond ratings of "[___]" and "[___]," respectively. See "RATINGS" in the Preliminary Official Statement.

Authorization. The Series 2015 Certificates are authorized to be issued by the Constitution of the State of Colorado, the Charter of the City, the laws of the State of Colorado, the Ordinance, the Resolution and the Supplemental Public Securities Act.

TERMS OF SALE

Submission of Bids. A prospective bidder must electronically submit a bid for the Series 2015 Certificates via PARITY. Bids may be submitted electronically via PARITY in accordance with this Notice of Bond Sale, until 10:00 a.m. Mountain Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. For further information about PARITY, potential bidders may contact the Financial Advisor at Piper Jaffray & Co., 1200 Seventeenth Street, Suite 1250, Denver, Colorado, Telephone 720-556-0167 or 303-405-0863, or Bidcomp/PARITY at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 404-8153; Fax (212) 849-5021.

Bidding Parameters. Bidders are required to submit unconditional bids specifying the rate of interest and premium, if any, at which the bidder will purchase all and not less than all of the Series 2015 Certificates.

Information Regarding Bids. Bidders may change and submit bids as many times as they wish during the bidding; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (i.e., "Leader," "Cover," "3rd," etc.).

Bids Constitute an Irrevocable Offer. Each bid submitted through PARITY shall be deemed an irrevocable offer to purchase the Series 2015 Certificates on the terms provided in this Notice of Bond Sale and shall be binding upon the bidder.

Purchase Price. The purchase price bid shall not be less than 100% of the par amount, nor will any net discount or commission be allowed or paid on the sale of the Series 2015 Certificates.

Basis of Award. The Series 2015 Certificates will be sold to the bidder offering to purchase the Series 2015 Certificates at the lowest TIC. The actuarial yield on the Series 2015 Certificates using the TIC method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the Series 2015 Certificates as of the date of the Series 2015 Certificates (i.e., November 17, 2015), produces an amount equal to the

aggregate bid price. Such calculation will be made based upon a 360-day year and a semi-annual interval for compounding.

The winning bid will be indicated on PARITY and the auction results, as posted on such website, will be subject to verification by the City and the Financial Advisor. The City and the Financial Advisor will verify the auction results immediately following the close of the bidding period and notice of confirmation by the City and the Financial Advisor of the winning bidder will be made by a posting on PARITY under the "Results" link.

If two or more bids have the same TIC, the first bid submitted, as determined by reference to the time stamp displayed on PARITY, shall be deemed to be the leading bid.

Sale Reservations. The City reserves the right (a) to reject any and all bids for any Series 2015 Certificates, (b) to reoffer any Series 2015 Certificates for public or negotiated sale and (c) to waive any irregularity or informality in any bid.

Good Faith Deposit. The winning bidder will be required to wire _____Dollars ($_____) (1.00% of the par amount) to the City as bid security by 5:00 p.m. Mountain Time on October 27, 2015. The City will provide wire instructions to the winning bidder. The bid security will be retained by the City and: (a) will be applied, without allowance for interest, against the purchase price when the Series 2015 Certificates are delivered to and paid for by such winning bidder or (b) will be retained by the City as liquidated damages if the bidder defaults with respect to the bid or (c) will be returned to the bidder if the Series 2015 Certificates are not issued by the City for any reason which does not constitute a default by the bidder.

Manner and Time of Delivery. The Series 2015 Certificates will be delivered to DTC for the account of the winning bidder at the expense of the City on November 17, 2015 or such later date as the City and the winning bidder may agree. The winning bidder will not be required to accept delivery of the Series 2015 Certificates if they are not tendered for delivery by the City on November 17, 2015, or such later date as the City and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the City.

The good faith deposit of the winning bidder will be credited to the purchaser at the time of delivery of the Series 2015 Certificates (without accruing interest). If the winning bidder for the Series 2015 Certificates fails or neglects to complete the purchase of the Series 2015 Certificates within five days after such Series 2015 Certificates are made ready and are tendered for delivery, the amount of its good faith deposit will be forfeited (as liquidated damages for non-compliance with the bid) to the City, except as hereinafter provided.

Official Statement. The Preliminary Official Statement, dated October [___], 2015, and the information contained therein have been deemed final by the City as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") with permitted omissions, but is subject to change without notice and to completion or amendment in the Final Official Statement in final form (the "Final Official Statement" or the "Official Statement"). The Notice of Bond Sale and the Preliminary Official Statement may be viewed

and downloaded at www.meritos.com and at www.i-dealprospectus.com or a physical copy may be obtained by contacting the City's Financial Advisor. See "—Information" below.

The City, at its expense, will make available to the winning bidder, within seven (7) business days after the award of the sale of the Series 2015 Certificates, up to 10 physical copies of the Final Official Statement, and additional copies of the Final Official Statement may be provided at the winning bidder's expense. The winning bidder must cooperate in providing the information required to complete the Final Official Statement. The City will also provide the Final Official Statement to the winning bidder in electronic form.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure Undertaking. The City has covenanted to provide, in a timely manner, to the municipal securities information repository at http://emma.msrb.org notice of the occurrence of specified, material events and to provide certain financial information on an annual basis as more fully set forth in the Preliminary Official Statement. Reference is made to the Preliminary Official Statement for a more complete description of the City's continuing disclosure undertaking obligations.

State Securities Laws. The City has taken no action to qualify the offer or sale of the Series 2015 Certificates under the securities laws of any state. Should any such qualification be necessary, the City agrees to cooperate with the winning bidder in such matters, provided that the City reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

CUSIP Numbers. CUSIP numbers will be issued and printed on the Series 2015 Certificates. Any error or omission in printing such numbers on the Series 2015 Certificates will not constitute cause for the winning bidder to refuse delivery of any Series 2015 Certificate. All expenses in relation to obtaining the CUSIP numbers and printing of the CUSIP numbers on the Series 2015 Certificates shall be paid for by the winning bidder.

Legal Opinion, Series 2015 Certificates and Transcript. Bids shall be conditioned upon receipt of the approving legal opinion of Bond Counsel, Kutak Rock LLP, but must in any and all other respects be unconditional. In the opinion of Bond Counsel, to be delivered substantially in the form set forth in the Preliminary Official Statement, the Series 2015 Certificates will evidence valid assignments of undivided interests in the Base Rentals to be received under the Lease payable on the terms and subject to the conditions and limitations stated in such opinion and Series 2015 Certificates.

A certified transcript of legal proceedings and the approving opinion of Kutak Rock LLP, as Bond Counsel, and not to exceed 10 copies of the Final Official Statement pertaining to the Series 2015 Certificates, will be furnished at no expense to the purchaser.

Right to Modify or Amend Notice of Bond Sale. The City reserves the right to modify or amend this Notice of Bond Sale and the Bid Form, prior to the bid date. If any modifications occur, supplemental information with respect to the Series 2015 Certificates will be communicated by posting on the PARITY website not later than 3:00 p.m. Mountain Time on

the day preceding the day on which proposals may be submitted, and bidders shall bid upon the Series 2015 Certificates based upon the terms thereof set forth in this Notice of Bond Sale, as so modified by such supplemental information.

Postponement of Sale. The City reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on PARITY prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the Series 2015 Certificates is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the Series 2015 Certificates in conformity in all respects with the provision of this Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on PARITY at the time the sale date and time are announced.

Dated this [___]th day of October, 2015.

By *<u>/s/ Matt Appelbaum</u>*
President, The Boulder Municipal Property Authority

By *<u>/s/ Robert W. Eichem</u>*
Secretary-Treasurer, The Boulder Municipal Property Authority

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE: Second reading and consideration of a motion to order published by title only, Ordinance No. 8072 to improve occupancy enforcement by amending Title 9 "Land Use Code" by amending Section 9-15-9, "Multiple Dwelling Units And Occupancy - Specific Defenses," eliminating a defense to over-occupancy based upon "active and diligent" management practices, amending Title 10 "Structures" amending Section 10-3-2, "Rental License Required Before Occupancy and License Exemptions" adding a prohibition of offering or advertising rental of a property without a valid rental license, adding a new Section 10-3-20 "Occupancy" requiring that the maximum legal occupancy be posted on all rental properties, requiring all rental licenses to include a notation of maximum occupancy and requiring all rental advertisements to include the maximum legal occupancy; amending Section 10-3-16 "Administrative Remedy" by increasing the fines for first and second violations and setting forth related details.

PRESENTERS
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Maureen Rait, Executive Director, Public Works
David Driskell, Executive Director, Community Planning and Sustainability
Susan Richstone, Deputy Director, Community Planning and Sustainability
Charles Ferro, Development Review Manager
Brian Holmes, Zoning Administrator

EXECUTIVE SUMMARY

At the 2015 Council retreat, Council directed staff to explore ways in which the city's occupancy limits could be enforced more effectively, including the possibility of removing the "grand-fathering" provision. The purpose for this agenda item is to present potential options to Council and seek feedback and direction on which steps Council would prefer. At the May 28, 2015 special council meeting, Council considered a

presentation by the city attorney of seven options to better enforce the city's occupancy limits in residential properties. The options identified were as follows:

1. Require posting of legal occupancy at all rental locations.

2. Require notation of legal occupancy on all rental licenses.

3. Encourage the use of administrative remedies for over-occupancy violations, by increasing sanctions and modifying defenses.

4. Prohibit advertisement for either sales or rental of occupancy in excess of the occupancy set forth in the rental licensing database.

5. Require proof of any nonconforming occupancy to be made at time of rental license application or renewal. In the absence of proof, occupancy would be set at the base occupancy for the zone district.

6. Eliminate the non-conforming occupancy provision in Section 9-8-5(c), B.C.R. 1981 ("Occupancy of Dwelling Units").

7. In the alternative, add a condition to Section 9-8-5(c) restricting application to units that were legally occupied and licensed for rental during the entire period of nonconforming occupancy.

Council's direction was for staff to prepare an ordinance implementing options 1, 2, 3, and 4 and including more information about options 5 and 7. Council did not support implementation of option 6.

Suggested Motion Language:
Staff requests Council consideration of this matter and action in the form of the following motion:

Motion to introduce, adopt on first reading and order published by title only, Ordinance No. 8072 to improve occupancy enforcement by amending Title 9 "Land Use Code" by amending Section 9-15-9, "Multiple Dwelling Units And Occupancy - Specific Defenses," eliminating a defense to over-occupancy based upon "active and diligent" management practices, amending Title 10 "Structures" amending Section 10-3-2, "Rental License Required Before Occupancy and License Exemptions" adding a prohibition of offering or advertising rental of a property without a valid rental license, adding a new Section 10-3-20 "Occupancy" requiring that the maximum legal occupancy be posted on all rental properties, requiring all rental licenses to include a notation of maximum occupancy and requiring all rental advertisements to include the maximum legal occupancy; amending Section 10-3-16 "Administrative Remedy" by increasing the fines for first and second violations and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic: Illegal over-occupancy can have a detrimental effect on the city's economy.
- Environmental: Increased occupancy in an area not suitable for it could increase the city's carbon footprint.
- Social: Illegal over-occupancy has a significant detrimental effect on the social fabric of the city's neighborhoods.

OTHER IMPACTS

Fiscal – The proposed ordinance may have some fiscal impact to support implementation.

Staff Time – More effective regulation of occupancy should be accomplished with existing staff.

BOARD AND COMMISSION FEEDBACK

None

BACKGROUND & ANALYSIS

A detailed discussion of the background of occupancy regulation in Boulder can be found in the agenda memorandum prepared for the May 28, 2015 council meeting. A copy of that memorandum is **Attachment B**.

FIRST READING

Council passed ordinance number 8072 on first reading at the September 1, 2015 council meeting. There were no Council comments or questions regarding the ordinance.

PROPOSED ORDINANCE

A proposed ordinance drafted to implement options 1, 2, 3 and 4 proposed by staff on May 28, 2015 is **Attachment A**. The following is a discussion of each of those proposed options and a description of the corresponding section in the proposed ordinance.

1. Require posting of legal occupancy at all rental locations.

Section 3 of the proposed ordinance would add a new Section 10-3-20. Section 10-3-20(a) would require posting of the maximum legal occupancy as follows:

> Every operator shall post conspicuously either on all public entrances or in a position clearly visible on entry into each dwelling unit a sign stating the maximum legal occupancy for the dwelling unit.

2. Require notation of legal occupancy on all rental licenses.

New Section 10-3-20(b) would require a notation on each rental license as follows:

> Each license shall include a notation of the legal occupancy for each dwelling unit covered by the license. Acceptance of the license shall constitute a waiver of any claim for a non-conforming occupancy in excess of the occupancy stated on the license. The notation on the license shall also not provide the basis for an assertion of non-conforming occupancy.

The last sentence is necessary because city staff will not be requiring proof of occupancy at the time of license issuance. Thus, the notation may be subject to alteration when staff has the opportunity to investigate the particular license at some later date.

3. Increase the use of administrative remedies by increasing the minimum fines for over-occupancy violations or modifying the affirmative defenses.

The proposed ordinance includes several provisions to respond to Council's direction for implementation of this option.

Section 1 of the proposed ordinance would amend Section 9-15-9(c) to eliminate a property owner's ability to defend by showing "active and diligent management practices." The operative language being stricken is as follows:

> Prior to the initiation of the prosecution process, the defendant undertook and pursued means to avoid over-occupancy violations by engaging in active and diligent property management practices that were reasonable under the circumstances

In addition, Section 4 of the proposed ordinance would amend Section 10-3-16(a)(1) to raise the civil penalty for a first violation from $150 to $500 and for a second violation from $300 to $750.

4. Prohibit advertisement for either sales or rental of occupancy in excess of the occupancy set forth in the rental licensing database.

The proposed ordinance would implement this option through two additions to the code. Section 2 of the proposed ordinance would add an advertising restriction to the rental licensing requirement. Under this proposed change, it would not only be illegal to rent without a rental license, but would also be illegal to offer to rent or advertise to rent without a rental license. Identical language is included in ordinance number 8050 relating to short term rentals. If Council approves passage of that ordinance, the language is not necessary in this ordinance.

Section 3 of the proposed ordinance would also require that the maximum legal occupancy be included in any advertisement or other offer to rent. The proposed language is as follows:

> Each advertisement for rental shall include a statement of the maximum legal occupancy of the dwelling unit to be rented.

Staff proposes that the ordinance, if passed, be effective thirty days after passage, but that the city manager be directed to begin implementation no earlier than January 4, 2015, to provide staff to adopt new procedures to implement the changes. Staff considers nothing in this proposed ordinance to be a land use regulation change that would be covered by the Neighborhood Right to Vote charter initiative. Making the ordinance effective before the election would eliminate any need to address that question. This would require an amendment to the ordinance passed on first reading. Proposed amendment language is included in **Attachment C** as **Amendment 1**. If Council amends this ordinance, a third reading will be necessary. If a third reading is scheduled for the September 29, 2015 special meeting, the ordinance would be effective before the election.

Staff has also included two other proposed amendments. At the Council Agenda Committee on September 8, 2015, Mayor Appelbaum raised the question whether requiring a statement of the legal occupancy on signage would be sufficient, because legal occupancy has several variables. Council's interest was really in stating the number of unrelated individuals permitted in a particular dwelling unit. Accordingly, staff recommends that council include **Amendment 2** in **Attachment C.** The proposed ordinance includes an amendment to Title 9. **Amendment 3** in **Attachment C** would waive the requirements of Section 9-1-5.

Options not being implemented at this time.

5. Require proof of any non-conforming occupancy to be made at time of rental license application or renewal. In the absence of proof, occupancy would be set at the base occupancy for the zone district.

Implementation of this option would require a major change in the rental licensing unit. Currently, desk staff accepts fees and issues licenses. They have no regulatory function. Implementation of option 5 would require staff to be trained to determine the appropriate occupancy. As was more fully described in the May 28, 2015 memorandum (**Attachment B**), doing so can be challenging. Staff's recommendation is to assess the effectiveness of the current changes before undertaking this potentially costly option.

6. Add a condition to Section 9-8-5(c) restricting application to units that were legally occupied and licensed for rental during the entire period of nonconforming occupancy.

This option, like option number 5 is staff intensive. This change is a smaller step than elimination of non-conforming occupancy completely. It is not clear, however, whether

there is any correlation between non-conforming occupancy and failure to obtain a rental license. Thus, it is difficult to predict what effect such a change would have on occupancy levels. Staff does not recommend pursuing this option at this time.

ATTACHMENTS

Attachment A – Proposed Ordinance
Attachment B – May 28, 2015 Agenda Memo
Attachment C – Proposed Amendment Language

ORDINANCE NO. 8072

AN ORDINANCE AMENDING TITLE 9 "LAND USE CODE" BY AMENDING SECTION 9-15-9, "MULTIPLE DWELLING UNITS AND OCCUPANCY - SPECIFIC DEFENSES," ELIMINATING A DEFENSE TO OVER-OCCUPANCY BASED UPON "ACTIVE AND DILIGENT" MANAGEMENT PRACTICES, AMENDING TITLE 10 "STRUCTURES" AMENDING SECTION 10-3-2, "RENTAL LICENSE REQUIRED BEFORE OCCUPANCY AND LICENSE EXEMPTIONS" ADDING A PROHBITION OF OFFERING OR ADVERTISING RENTAL OF A PROPERTY WITHOUT A VALID RENTAL LICENSE, ADDING A NEW SECTION 10-3-20 "OCCUPANCY" REQUIRING THAT THE MAXIMUM LEGAL OCCUPANCY BE POSTED ON ALL RENTAL PROPERTIES, REQUIRING ALL RENTAL LICENSES TO INCLUDE A NOTATION OF MAXIMUM OCCUPANCY AND REQUIRING ALL RENTAL ADVERTISEMENTS TO INCLUDE THE MAXIMUM LEGAL OCCUPANCY; AMENDING SECTION 10-3-16 "ADMINISTRATIVE REMEDY" BY INCREASING THE FINES FOR FIRST AND SECOND VIOLATIONS AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. Section 9-15-9(c) is amended to read as follows:

9-15-9. - Multiple Dwelling Units and Occupancy - Specific Defenses.

(c) Specific Defenses to Alleged Violations Related to Occupancy of a Unit Which Is a Rental Property: The following shall constitute specific defenses to any alleged violation of subsection 9-8-5(a), B.R.C. 1981, relating to the occupancy of units:

(1) It shall be a specific defense to an alleged violation of subsection 9-8-5(a), B.R.C. 1981, that a defendant is a nonresident landlord or nonresident property manager and:

(A) ~~Prior to the initiation of the prosecution process, the defendant undertook and pursued means to avoid over-occupancy violations by engaging in active and diligent property management practices that were reasonable under the circumstances; or~~

~~(B)~~ The defendant had no actual knowledge of the over-occupancy of the relevant rental housing property prior to the initiation of the prosecution process. However, this specific defense shall not apply when a defendant reasonably should have been aware of the occupancy violation ~~through the use of active and diligent property management practices~~.

(B~~C~~) For the purposes of this subsection, the initiation of a prosecution process occurs when any of the following events occurs:

(i) A potential defendant is first contacted by a city investigator in connection with the investigation of an occupancy violation;

(ii) A summons and complaint alleging an occupancy violation is served upon a defendant; or

(iii) A criminal complaint is filed against a defendant alleging an occupancy violation.

(C~~D~~) For purposes of this subsection, a nonresident landlord or nonresident property manager means a person who is neither a full-time nor part-time resident of the property that he or she owns or manages.

~~(2) For the purpose of this subsection, active and diligent management practices means those practices that, under the circumstances, are reasonably likely to prevent or correct any over-occupancy violations. The following factors will be considered in determining whether or not a nonresident landlord or nonresident property manager utilized diligent and active management practices. However, the existence or nonexistence of any single one of these factors shall not, of itself, be determinative:~~

~~(A) Written leases or other writings that document the maximum permitted number of occupants in each rental housing unit, the names of such occupants, the procedures required to add additional occupants, and a description of the potential consequences that may apply in any case of over-occupancy;~~

~~(B) Annual inspections of rental premises and more frequent inspections when tenants change or when there is any indication of problems at a rental housing site;~~

~~(C) The use of periodic written communications to remind tenants of applicable occupancy rules;~~

~~(D) Investigation and prompt action, where appropriate, when there are indications that occupancy violations may be occurring. Such indications may include, but are not limited to, the following:~~

~~(i) Receipt of a rent or lease payment from any person not listed on the lease or approved as an agent of the resident;~~

~~(ii) Receipt of a complaint or information from any source regarding alleged occupancy violations;~~

~~(iii) Receipt of a complaint or information from any source related to excess parking, excess trash, excess noise or of any other condition or impact associated with a rental housing site that would put a reasonable property manager on notice that additional investigation related to occupancy is appropriate;~~

~~(iv) Receipt of a complaint or information from any source suggesting that conditions at the rental housing site are less than safe or habitable; or~~

~~(E) Any other reasonable steps taken to ensure compliance with applicable code provisions with regard to levels of occupancy.~~

Section 2. Section 10-3-2(a) is amended to read as follows:

10-3-2. - Rental License Required Before Occupancy and License Exemptions.

(a) No operator shall allow, or offer to allow through advertisement or otherwise, any person to occupy any rental property as a tenant or lessee or otherwise for a valuable consideration

unless each room or group of rooms constituting the rental property has been issued a valid rental license by the city manager.

Section 3. A new Section 10-3-20 is added as follows:

10-3-20. - Occupancy.

(a) Every operator shall post conspicuously either on all public entrances or in a position clearly visible on entry into each dwelling unit a sign stating the maximum legal occupancy for the dwelling unit.

(b) Each license shall include a notation of the legal occupancy for each dwelling unit covered by the license. Acceptance of the license shall constitute a waiver of any claim for a non-conforming occupancy in excess of the occupancy stated on the license. The Notation on the license shall also not provide the basis for an assertion of non-conforming occupancy.

(c) Each advertisement for rental shall include a statement of the maximum legal occupancy of the dwelling unit to be rented.

Section 4. Section 10-3-16 is amended to read as follows:

10-3-16. - Administrative Remedy.

(a) If the city manager finds that a violation of any provision of this chapter or chapter 10-2, "Property Maintenance Code," B.R.C. 1981, exists, the manager, after notice to the operator and an opportunity for hearing under the procedures prescribed by chapter 1-3, "Quasi-Judicial Hearings," B.R.C. 1981, may take any one or more of the following actions to remedy the violation:

(1) Impose a civil penalty according to the following schedule:

(A) For the first violation of the provision, $500~~150~~.00;

(B) For the second violation of the same provision, $~~300~~750.00; and

(C) For the third violation of the same provision, $1,000.00;

(2) Revoke the rental license; and

(3) Issue any order reasonably calculated to ensure compliance with this chapter and chapter 10-2, "Property Maintenance Code," B.R.C. 1981.

(b) If notice is given to the city manager by the operator at least forty-eight hours before the time and date set forth in the notice of hearing on any violation that the violation has been corrected, the manager will reinspect the building. If the manager finds that the violation has been corrected, the manager may cancel the hearing.

(c) The city manager's authority under this section is in addition to any other authority the manager has to enforce this chapter, and election of one remedy by the manager shall not preclude resorting to any other remedy as well.

(d) The city manager may, in addition to taking other collection remedies, certify due and unpaid charges to the Boulder County Treasurer for collection as provided by section 2-2-12, "City Manager May Certify Taxes, Charges and Assessments to County Treasurer for Collection," B.R.C. 1981.

(e) To cover the costs of investigative inspections, the city manager will assess operators a $250.00 fee per inspection, where the city manager performs an investigative inspection to ascertain compliance with or violations of this chapter.

Section 5. This ordinance is necessary to protect the public health, safety, and welfare of the residents of the city, and covers matters of local concern.

Section 6. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

Section 7. This ordinance shall be effective January 4, 2016, unless disapproved by the voters pursuant to section 43 of the Boulder Home Rule Charter.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 1st day of September, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

K:\CCAD\o-8072-2nd-2396.docx

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 15th day of September, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

K:\CCAD\o-8072-2nd-2396.docx

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: May 28, 2015

AGENDA TITLE: Request for Council direction regarding strategies to support more effective enforcement of occupancy limits in Boulder.

PRESENTERS
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Maureen Rait, Executive Director, Public Works
David Driskell, Executive Director, Community Planning and Sustainability
Susan Richstone, Deputy Director, Community Planning and Sustainability
Charles Ferro, Development Review Manager
Brian Holmes, Zoning Administrator

EXECUTIVE SUMMARY

At the 2015 Council retreat, Council directed staff to explore ways in which the city's occupancy limits could be enforced more effectively, including the possibility of removing the "grand-fathering" provision. The purpose for this agenda item is to present potential options to Council and seek feedback and direction on which steps Council would prefer.

The options identified are as follows:

1. Require posting of legal occupancy at all rental locations.

2. Require notation of legal occupancy on all rental licenses.

3. Encourage the use of administrative remedies for over-occupancy violations, by increasing sanctions and modifying defenses.

4. Prohibit advertisement for either sales or rental of occupancy in excess of the occupancy set forth in the rental licensing database.

5. Require proof of any nonconforming occupancy to be made at time of rental license application or renewal. In the absence of proof, occupancy would be set at the base occupancy for the zone district.

6. Eliminate the non-conforming occupancy provision in § 9-8-5(c), B.C.R. 1981 ("Occupancy of Dwelling Units").

7. In the alternative, add a condition to section 9-8-5(c) restricting application to units that were legally occupied and licensed for rental during the entire period of nonconforming occupancy.

These options are not intended to be exclusive and staff welcomes Council's direction to consider others as well. Staff will also seek input on whether the Council wishes staff to pursue any public process other than the legislative process.

The proposed options have different requirements for staffing, training and implementation. Thus, there may be more lead time for some than others.

BACKGROUND & ANALYSIS

The city's current occupancy provision is somewhat complex. The basic rule is simple. Occupancy is limited to three unrelated persons in P, A, RR, RE, and RL zones and four unrelated persons in MU, RM, RMX, RH, BT, BC, BMS, BR, DT, IS, IG, IM, and IMS zones. In addition to the basic rule, an unlimited number of family members can live together. Each family can have two "roomers." Finally, two people can live together with all of their children.

In addition to the basic legal occupancy, there is a provision for non-conforming occupancy. Section 9-8-5(c) provides as follows:

> (c) Nonconformity: A dwelling unit that has a legally established occupancy higher than the occupancy level allowed by Subsection (a) of this section may maintain such occupancy of the dwelling unit as a nonconforming use, subject to the following:
>
> (1) The higher occupancy level was established because of a rezoning of the property, an ordinance change affecting the property, or other city approval;
>
> (2) The rules for continuation, restoration, and change of a nonconforming use set forth in Chapter 9-10, "Nonconformance Standards," B.R.C. 1981, and Section 9-2-15, "Use Review," B.R.C. 1981;

(3) Units with an occupancy greater than four unrelated persons shall not exceed a total occupancy of the dwelling unit of one person per bedroom; and

(4) The provisions of Chapter 10-2, "Property Maintenance Code," B.R.C. 1981.

§ 9-8-5 B.R.C. 1981 ("Occupancy of Dwelling Units).

Non-conforming occupancy results mostly from previous down-zones. That is, when the city down-zoned a neighborhood, property owners were permitted to keep the then-existing occupancy. There are a total of 1,258 properties identified in the city's rental licensing database as potentially having legal non-conforming occupancies. [1] The properties make up 5,419 dwelling units and 1,174 rooming units. Of these, 1,205, or 96%, are properties listed as having a non-conforming occupancy based upon a prior down-zoning. The other 53 properties, or 4%, have non-conforming occupancies for other reasons. This is likely because they have rooming units. Those 53 properties make up 535 rooming units and 325 dwelling units.

Many of the properties, which have non-conforming occupancies based on down-zoning, are on University Hill. The hill's medium-density residential area has been gradually reduced over the years, giving way to lower-density residential zoning west of 9th and south of College. The 1974 down-zoning dramatically reduced permitted density west of 9th and south of College. At the time of the 1974 down-zoning there were existing multi-family conversions, which would not be permitted today. The multi-family units exist because they were grandfathered after the 1974 down-zoning. In 1997, there was a down-zoning from HR-E to MXR-E, which further reduced permitted density north of University. Existing apartment buildings and multi-family conversions were again grandfathered.

Before 1993, occupancy of dwelling units in down-zoned areas was treated as a non-conforming use. The maximum number of occupants could be different for each dwelling unit. The city maintained records to reflect these differences. Before the 1993 code change, at each rental license inspection, the inspector checked the number of occupants against the non-conforming occupancy record to insure that occupancy had not increased. Also, if the property owner ceased to keep the property occupied at the higher level, the property lost this non-conforming occupancy and was required to comply with the legal occupancy level. In 1993, Council effectively eliminated non-conforming occupancy by adding the following provision to the code:

> Although the number of dwelling units may be a non-conforming use, subject to discontinuance pursuant to Chapter 9-3.5 Non-conforming Uses and Nonstandard Buildings and Lots, B.R.C. 1981, the number of

[1] The city's online rental licensing database represents all rental licenses issued in the city. The database includes occupancy information. It is important to note, however, that this data is not all verified. That is, some of what is recorded is what the owner reported and in other cases, the data has been verified by city staff. The database can be found at http://gisweb.ci.boulder.co.us/agswebsites/pds/rentalinquiry/.

> occupants in a dwelling unit is not a non-conforming use and all occupancies in the city are subject to the restrictions set forth in this title.

Council added this section to address the same situation that the Council is working on now. That is, how to create a more uniform system of occupancy. The code change was intended to set a uniform occupancy throughout the city regardless of prior down-zonings. The high and medium density districts allowed a maximum occupancy of four unrelated persons or a family plus two others. After the down-zone, the owners were allowed a maximum occupancy of three unrelated or a family plus two roomers per dwelling unit. This amendment had an impact on both landlords and tenants because it required the number of occupants in some dwelling units to be reduced.

This code change was implemented through the rental housing inspection process. Upon rental inspection, landlords of non-conforming units were informed about the code amendment which changed the maximum occupancy limit.

Staff determined that the most equitable way to bring these non-conforming properties into compliance was to allow the existing occupants to remain until the end of their current lease or the expiration of the rental license, whichever came last. At that time, the property owner would have to reduce occupancy to adhere to the occupancy limits in the zone where the property was located.

Landlords objected to the code change and its implementation. Landlords argued that reducing occupancies would place a financial hardship on them by reducing the potential rental income and would reduce the available housing stock in the rental market. In some cases, they believed that this would cause units to have empty bedrooms that had previously been rented. Landlords also stated that with reduced occupancies, tenants would be forced to pay increased rents to allow landlords to meet operating expenses. The landlords requested that City Council and staff evaluate the possibility of allowing non-conforming occupancies to be maintained at historic levels.

In 1997, Council responded and asked staff to look at the issue and propose appropriate alternatives. Staff reviewed the previous down-zonings of residential areas from higher zoning district classifications to lower zoning district classifications, the city's history of regulating occupancy and the approaches Boulder's peer cities use to regulate occupancy of residential units.

On March 3, 1998, Council adopted ordinance 5970, which replaced the language quoted above, with the current non-conforming occupancy language in section 9-8-5. It is worth noting that the planning board recommended that the change include a sunset provision. The city attorney’s office recommended against including a sunset clause, noting that Council could change the language at any time. The ordinance has remained unchanged since 1998.

The city’s tight rental market combined with significant and increasing demand has driven some property owners to maximize the value of their properties by allowing

occupancy in excess of legal limits. Over the years, council members have heard community concerns about the adverse affects of illegal over-occupancy. There has been significant pressure for staff to engage in effective occupancy enforcement. Occupancy enforcement is challenging for several reasons. There is an administrative remedy for an occupancy violation, which has not been used. Enforcement cases have been brought as criminal violations. This presents several challenges. First, it can be difficult to establish the legal occupancy for a dwelling unit. The broad language in the city's nonconforming occupancy provision provides extensive leeway for an owner to argue for an increased occupancy. It also can be difficult to demonstrate how many people are actually occupying a dwelling unit. Owners have been known to avoid including on a lease tenants in excess of the legal occupancy limit.

Two identical properties can have different occupancies. Without a time-consuming records search, it is difficult to know what the legal occupancy is for a particular property. As noted above, enforcement requires staff to first establish how many people are living in a particular property. This in itself can present difficulties.

Another code section impacting enforcement of over-occupancy violations is the specific defense to such violations created in Section 9-15-9(c). Section 9-15-9(c) provides as follows:

> (c) Specific Defenses to Alleged Violations Related to Occupancy of a Unit Which Is a Rental Property: The following shall constitute specific defenses to any alleged violation of subsection 9-8-5(a), B.R.C. 1981, relating to the occupancy of units:
>
> > (1) It shall be a specific defense to an alleged violation of subsection 9-8-5(a), B.R.C. 1981, that a defendant is a nonresident landlord or nonresident property manager and:
> >
> > > (A) Prior to the initiation of the prosecution process, the defendant undertook and pursued means to avoid over-occupancy violations by engaging in active and diligent property management practices that were reasonable under the circumstances; or
> > >
> > > (B) The defendant had no actual knowledge of the over-occupancy of the relevant rental housing property prior to the initiation of the prosecution process. However, this specific defense shall not apply when a defendant reasonably should have been aware of the occupancy violation through the use of active and diligent property management practices.

(C) For the purposes of this subsection, the initiation of a prosecution process occurs when any of the following events occurs:

(i) A potential defendant is first contacted by a city investigator in connection with the investigation of an occupancy violation;

(ii) A summons and complaint alleging an occupancy violation is served upon a defendant; or

(iii) A criminal complaint is filed against a defendant alleging an occupancy violation.

(D) For purposes of this subsection, a nonresident landlord or nonresident property manager means a person who is neither a full-time nor part-time resident of the property that he or she owns or manages.

(2) For the purpose of this subsection, active and diligent management practices means those practices that, under the circumstances, are reasonably likely to prevent or correct any over-occupancy violations. The following factors will be considered in determining whether or not a nonresident landlord or nonresident property manager utilized diligent and active management practices. However, the existence or nonexistence of any single one of these factors shall not, of itself, be determinative:

(A) Written leases or other writings that document the maximum permitted number of occupants in each rental housing unit, the names of such occupants, the procedures required to add additional occupants, and a description of the potential consequences that may apply in any case of over-occupancy;

(B) Annual inspections of rental premises and more frequent inspections when tenants change or when there is any indication of problems at a rental housing site;

(C) The use of periodic written communications to remind tenants of applicable occupancy rules;

(D) Investigation and prompt action, where appropriate, when there are indications that occupancy violations may be occurring. Such indications may include, but are not limited to, the following:

(i) Receipt of a rent or lease payment from any person not listed on the lease or approved as an agent of the resident;

(ii) Receipt of a complaint or information from any source regarding alleged occupancy violations;

(iii) Receipt of a complaint or information from any source related to excess parking, excess trash, excess noise or of any other condition or impact associated with a rental housing site that would put a reasonable property manager on notice that additional investigation related to occupancy is appropriate;

(iv) Receipt of a complaint or information from any source suggesting that conditions at the rental housing site are less than safe or habitable; or

(E) Any other reasonable steps taken to ensure compliance with applicable code provisions with regard to levels of occupancy.

It is possible for landlords to meet the requirements of the affirmative defense even if the landlord is permitting over-occupancy. Some landlords go to great length to ensure their leases state the occupancy limits and that checks are written indicating compliance with the law. Tenants are instructed by some landlords that only a certain number of people can be listed on the lease for code reasons while indicating that the landlord is ok with more residents than those listed on the lease. There have also been cases where tenants were instructed to not speak to and to not invite code enforcement officers into the house. Council may wish to consider eliminating or modifying the specific defense under 9-15-9(c).

The enforcement history reflects the challenges presented by the current code provisions. In the period between January 1, 2011 and September 12, 2014, zoning enforcement opened 133 over-occupancy cases. During that period zoning enforcement closed 127 of those cases, while 6 remain open. In 83 cases, or 65%, there was no violation found.

Criminal prosecution has been much less frequent. The following chart shows criminal cases for the last 10 years:

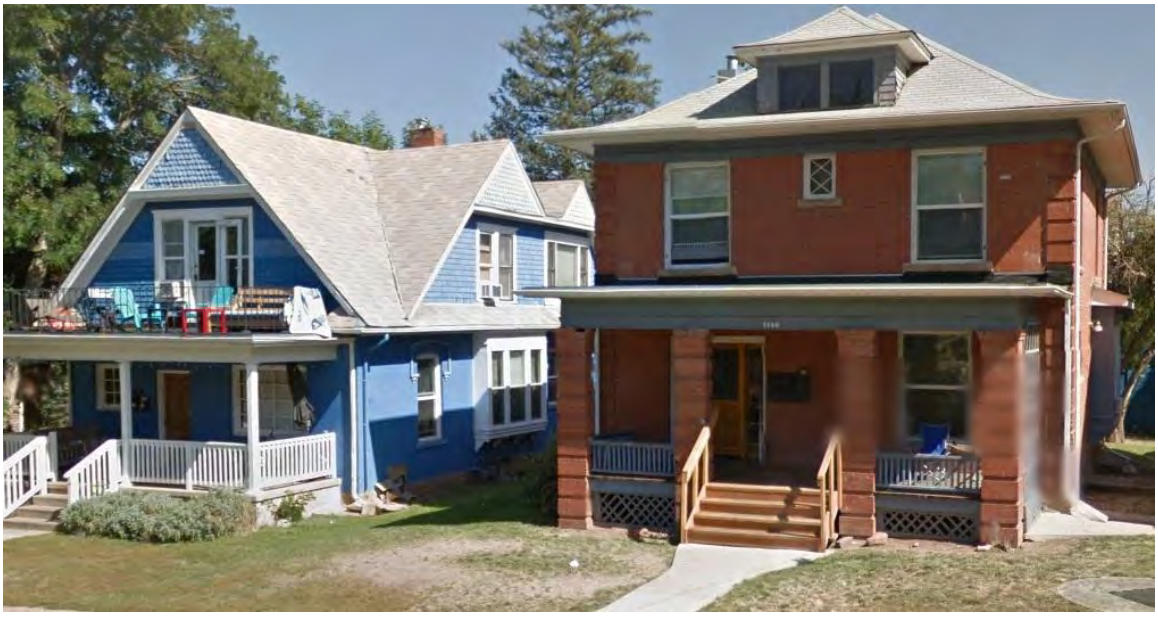
Year	Cases	Charges
2006	4	4
2007	4	10
2008	0	0
2009	4	4
2010	1	25
2011	3	3
2012	5	19
2013	6	48
2014	2	2
2015	0	0

Part of the reason for these statistics is that not everything that appears to be over-occupancy is actually illegal. Moreover, it is not clear that the excessive density is caused only by illegal occupancy. Addressing illegal occupancy will not address density issues caused by multiple dwelling units in what might appear to be a single family home.

One example of this issue is demonstrated by the block of 10th Street between College and Pennsylvania. There are 18 residences on this street. The zoning is RH-5, which would allow four unrelated persons to live in each structure. Of the 18 residences, 17 have rental licenses. The 17 rentals include 8 duplexes, 4 triplexes and one four-plex. There are four single unit rentals. Each of the dwelling units in the multiple dwelling unit properties has a listed occupancy of four unrelated, except for one unit with a listed occupancy of three unrelated. This allows 127 unrelated individuals to reside in these thirteen properties, which if occupied as single family homes would have a maximum occupancy of 52 unrelated persons. The block can be represented as follows:

Pennsylvania Avenue		
1165 10th Legal Non-Conforming Occupancy: Yes Dwelling Units: 3 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4 03 Dwelling Unit 4		1164 10th Legal Non-Conforming Occupancy: Yes Dwelling Units: 3 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4 03 Dwelling Unit 4
1155 10th Legal Non-Conforming Occupancy: No Dwelling Units: 1 Rooming Units: 0		1150 10th Street Legal Non-Conforming Occupancy: Yes Dwelling Units: 2 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4
1151 10th Legal Non-Conforming Occupancy: No Dwelling Units: 1 Rooming Units: 0		1146 10th Street Legal Non-Conforming Occupancy: Yes Dwelling Units: 2 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 3 02 Dwelling Unit 4
1145 10th Legal Non-Conforming Occupancy: No Dwelling Units: 1 Rooming Units: 0		1140 10th Street Legal Non-Conforming Occupancy: Yes Dwelling Units: 2 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4
1137 10th Legal Non-Conforming Occupancy: Yes Dwelling Units: 3 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4 03 Dwelling Unit 4	10th Avenue	1134 10th Legal Non-Conforming Occupancy: Yes Dwelling Units: 3 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4 03 Dwelling Unit 4
1135 10th Legal Non-Conforming Occupancy: Yes Dwelling Units: 4 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4 03 Dwelling Unit 4 04 Dwelling Unit 4		1130 10th Legal Non-Conforming Occupancy: Yes Dwelling Units: 2 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4
1125 10th Legal Non-Conforming Occupancy: Yes Dwelling Units: 2 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4		1120 10th Private residence No rental license
1113 10th Legal Non-Conforming Occupancy: Yes Dwelling Units: 2 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4		1110 10th Street Legal Non-Conforming Occupancy: Yes Dwelling Units: 2 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4
1107 10th Legal Non-Conforming Occupancy: No Dwelling Units: 1 Rooming Units: 0		1100 10th Street Legal Non-Conforming Occupancy: Yes Dwelling Units: 2 Rooming Units: 0 ***Maximum Unrelated Occupants*** 01 Dwelling Unit 4 02 Dwelling Unit 4
College Avenue		

The following is a photograph of the houses at 1140 and 1146 10th Street. Both of these homes are listed as duplexes with a total of 15 unrelated persons permitted. It would be difficult for a passerby to know that the density is legal, based on the outward appearance of the buildings.



This is just one block chosen at random, albeit one in an area used intensively for student housing. Spot checks throughout the hill demonstrated that density often has been increased through multi-unit development, most likely grandfathered because of prior down-zonings.

Options Identified by Staff

1. Require posting of legal occupancy at all rental locations.

Posting of legal occupancy is relatively simple expedient. One of the challenges of occupancy enforcement is that the remedy can be harsh for the renter. Posted occupancy would provide the prospective renter with fair warning that a proposed lease would violate Boulder law. Such signage could be particularly influential for parents looking to rent accommodations for college students.

2. Require notation of legal occupancy on all rental licenses.

Requiring a notation of the permitted occupancy on all rental licenses also is a relatively simple expedient means to avoid future disputes over occupancy. Such a requirement, however, would require the same preparations as suggested below for requiring proof at the time of rental licensing or renewal.

3. Increase the use of administrative remedies by increasing the minimum fines for over-occupancy violations or modifying the affirmative defenses.

Administrative sanctions are civil in nature and therefore do not require the standard of proof necessary for a criminal conviction. The utility of having a criminal sanction is that incarceration is an option. Of course, there are few, if any, circumstances in which incarceration would be appropriate in most regulatory circumstances. Thus, there is no real reason to rely upon criminal sanctions. In the rental licensing context, the use of administrative remedies has proven to be an effective tool to encourage licensing of properties. The lower standard of proof simplifies the investigation process. That is, it is much easier to investigate a case, if the city only needs to prove by a preponderance of the evidence that an owner is renting as opposed to demonstrating such a circumstance beyond a reasonable doubt. The use of administrative remedies also could be helpful with respect to occupancy violations. Under the administrative remedies section applicable to over-occupancy violations the maximum fine for a first offense is $100. Absent a significant sanction, an administrative violation would not serve as a sufficient deterrent. Council also could consider revising or eliminating the affirmative defense set forth in section 9-15-9(c) as explained above.

4. Prohibit advertisement for either sales or rental of occupancy in excess of the occupancy set forth in the rental licensing database.

A prohibition on advertising of excessive occupancy would simplify enforcement and address a common community complaint. Currently, in any prosecution, the city must prove actual illegal occupancy. Even with a system of registration as suggested above, the city would still need to prove that more people were living in the unit than the number allowed by law. A prohibition on advertising excessive occupancy would allow the city to charge a violation with only proof of the maximum occupancy and an advertisement offering a property for greater occupancy. Such a change would address the issue that arises when a community member sees an advertisement, for either sale or rental that misrepresents the permitted occupancy. To be effective, such a prohibition would require a sanction that is adequate for compliance.

5. Require proof of any non-conforming occupancy to be made at time of rental license application or renewal. In the absence of proof, occupancy would be set at the base occupancy for the zone district.

If Council decides to retain the non-conforming occupancy provision, Council could consider an ordinance requiring property owners to provide proof of non-conforming occupancy at the time of rental licensing application or renewal. Such a requirement would increase enforcement efficiency by eliminating the situation in which the property owner asserts the right to an increased occupancy based on so a previously undisclosed document. For such a provision to be effective, the city manager would need to establish rules for acceptable documentation and counter staff would need training to verify the appropriateness of the documentation. This would involve both a significant commitment of resources and policy decisions regarding what constitutes valid proof of

legal over-occupancy. It also would be useful to have an appeal process for property owners who sought to challenge staff's determination.

6. Eliminate the non-conforming occupancy provision in § 9-8-5(c), B.C.R. 1981 ("Occupancy of Dwelling Units").

Elimination of the non-conforming occupancy provision would simplify enforcement of the city's occupancy limits. It appears that at least Planning Board intended that this would be a temporary provision allowing for property owners to adjust to reduced occupancies. Thus, it would seem appropriate for Council to consider whether the provision remains necessary. Nevertheless, it also is likely to be the change that will cause the most significant controversy. Additional occupancy is a valuable commodity in Boulder. Elimination of non-conforming occupancy will reduce revenue and property values for affected property owners.

7. Add a condition to section 9-8-5(c) restricting application to units that were legally occupied and licensed for rental during the entire period of nonconforming occupancy.

Instead of eliminating the non-conforming occupancy provision, Council could consider limiting its application to those who complied with the city's rental licensing regulations during the entire period of non-conforming occupancy. This change is a smaller step that elimination of non-conforming occupancy completely. It is not clear, however, whether there is any correlation between non-conforming occupancy and failure to obtain a rental license. Thus, it is difficult to predict what effect such a change would have on occupancy levels.

Questions for Council

1. Do council members have any other options that they would like staff to explore?
2. Which, if any, of the staff proposed options would Council like staff to bring forward as proposed ordinances?
3. Does Council want staff to pursue any public process?
4. Does Council want staff to seek the planning board's input?

Attachment C

Amendment 1

Section 7 of the proposed ordinance is replaced and amended to read as follows:

Section 7. This ordinance shall be effective thirty days after final passage. The city manager is directed to begin implementation no earlier than January 4, 2016.

Amendment 2

10-3-20. - Occupancy.

(a) Every operator shall post conspicuously either on all public entrances or in a position clearly visible on entry into each dwelling unit a sign stating the maximum occupancy by unrelated individuals permissible pursuant to Section 9-8-5, B.R.C. 1981, "Occupancy of Dwelling Units." ~~legal occupancy for the dwelling unit.~~

(b) Each license shall include a notation of the legal occupancy, including the number of unrelated individuals permitted, for each dwelling unit covered by the license. Acceptance of the license shall constitute a waiver of any claim for a non-conforming occupancy in excess of the occupancy stated on the license. The Notation on the license shall also not provide the basis for an assertion of non-conforming occupancy.

(c) Each advertisement for rental shall include a statement of the maximum occupancy by unrelated individuals permissible pursuant to Section 9-8-5, B.R.C. 1981 "Occupancy of Dwelling Units" ~~legal occupancy~~ of the dwelling unit to be rented.

Amendment 3

Section 8. The requirements of Section 9-1-5, B.R.C. 1981 "Amendments and Effect of Pending Amendments" are waived.

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE: Continued second reading and consideration of a motion to adopt and order published by title only, Ordinance No. 8050 amending Title 10 "Structures" for the purpose of allowing and regulating short-term rentals by amending Section 10-1-1 "Definitions" by amending the definition of "Operator," amending the definition of "Rental Property," adding a new definition of "Short-Term Rental," adding a new Section 10-3-19 "Short-Term Rentals" and setting forth related details.

PRESENTER/S
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Bob Eichem, Chief Financial Officer

EXECUTIVE SUMMARY

The purpose of this council agenda item is to amend the city's rental licensing code to expressly permit short-term rentals. At the February 10, 2015 study session, the Council directed staff to bring forward a draft ordinance incorporating concepts from Council's discussion. The intent is that the Council will use the legislative process to receive public input on various policy questions. At first reading on June 2, 2015, Council held a public hearing at which approximately 40 individuals testified regarding the ordinance. Council adopted the first reading ordinance as proposed, with the expectation that there could be substantial changes on second reading. Council held a second public hearing on August 27, 2015. Council engaged in an extensive discussion of the proposed ordinance and provided direction regarding potential changes to the ordinance. This agenda item is a consideration of potential amendments to reflect Council's direction.

STAFF RECOMMENDATION

Suggested Motion Language:
Staff requests Council consideration of this matter and action in the form of the following

motion:

Motion to adopt, amend and order published by title only, on second reading Ordinance No. 8050 amending Title 10 "Structures" for the purpose of allowing and regulating short-term rentals by amending Section 10-1-1 "Definitions" by amending the definition of "Operator," amending the definition of "Rental Property," adding a new definition of "Short-Term Rental," adding a new Section 10-3-19 "Short-Term Rentals" and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic: Short-term rentals provide an alternative to hotels and motels. They may provide increased tourist activity. Short-term rentals also could provide revenue to city residents. Short-term rentals could have an adverse economic effect on hotels and motels.
- Environmental: Increased visitation generated through short-term rentals could also increase the city's carbon footprint.
- Social: Short-term rentals provide increased opportunities for residents to interact with visitors from other parts of the country or the world. Short-term rentals could adversely affect the neighborhoods in which they are located.

OTHER IMPACTS

Fiscal – Regulation of short-term rentals will require the expenditure of city funds for which there is no budget. Staff intends to bring forward a proposed tax measure for the fall 2015 ballot that would provide revenue to support the regulatory program.

Staff Time – Regulation of short-term rentals will require additional staff.

BOARD AND COMMISSION FEEDBACK

None

BACKGROUND

At a February 10, 2015 study session, Council considered regulation of short-term rentals in Boulder. On June 2, 2015, Council held a public hearing at the first reading of the proposed ordinance to allow for community input. The views expressed by the community were largely supportive of short-term rentals. An organized group proposed an ordinance that Council considered but did not adopt. Several of those who spoke supported allowing short-term rentals of properties not occupied by the owner. Council held another public hearing on August 27, 2015, as part of the second reading of the proposed ordinance.

Proposed Ordinance

The proposed ordinance adopted on first reading, included the following provisions:

- Short-term rentals would need to meet all of the requirements of a rental license.
- Short-term rentals would be an accessory use and therefore would be permitted in any zone that permits dwellings, dwelling units, rooming units, or rooms. This would include all residential zones.
- Short-term rentals would be limited to the lessor's principal residence.
- Renters would be permitted to engage in short-term rentals.
- The resident would be required to reside in the unit at least 275 days each year.
- The short-term rental occupancy would be limited to the occupancy otherwise permitted by the code.
- Short-term rentals would be prohibited in permanently affordable units.

Council Proposed Changes

Council gave extensive consideration to the proposed ordinance in light of the extensive public comment received both at the two public hearings as well as through electronic mail. Staff has drafted two proposed ordinances to incorporate Council's direction. The version in Attachment B retains the requirement that all short-term rentals be owner-occupied. The version in Attachment C would allow non-owner-occupied short-term rentals, but would limit those rentals to no more than 90 days in a calendar year.

Council gave the following direction for amendments to be considered at a continued second reading:

1. Inspections

Council members agreed that third-party inspections would not be necessary for short-term rentals. Council directed that staff prepare language that would substitute a self-certification requirement for the inspection required of long-term rentals. Council directed staff to require inspections of any accessory units licensed for short-term rentals. All legal accessory units currently are required to obtain a rental license within six months of approval. Section 9-6-3(a)(1)(F), B.R.C. 1981. Thus, all accessory units are already required to be inspected. Staff proposes two additions to the ordinance to address this change. These changes are included in both Attachment B and Attachment C.

There is a new subsection 10-3-19(a)(4)[1] as follows:

[1] The numbering of Section 10-3-19(a) is slightly different in Attachment B and Attachment C. Attachment B includes the owner-occupied requirement and Attachment C does not. For the purposes of this memorandum, all references are to the numbers in Attachment B, except where Attachment C is referenced specifically.

(a) Short-term rentals are prohibited except:

(4) The operator certifies that the dwelling unit is equipped with operational smoke detectors, carbon monoxide detectors and other life safety equipment as may be required by the city manager.

There is also a new section 10-3-19(b) as follows:

(b) Short-term rentals, other than short-term rentals of accessory units, shall not be subject to the inspection requirements of Section 10-3-3(a) B.R.C. 1981 ("Licenses").

2. Accessory Units

Council directed staff to draft language that would allow short-term rentals of accessory units. Council expressed an interest in an amendment that would limit such rentals to 120 days in a calendar year. Council also directed that there be an amendment allowing an owner to rent an accessory unit or the main dwelling, but not both. These changes are included in both Attachments B and C.

There is a new definition of "accessory unit" in Section 10-1-1, which is as follows:

Accessory Unit means an accessory unit permitted under Section 9-6-3(a), B.R.C. 1981 ("Accessory Units").

There is a new subsection 10-3-19(a)(2) as follows:

If the rental license is for an accessory unit on the same property as another dwelling unit, only the accessory unit or the other dwelling, but not both, may be a licensed or used as a short-term rental.

There are new subsections 10-3-19(a)(3)-(4) as follows:

(3) If a dwelling unit is licensed for short-term rental, then no accessory unit on the same property may be issued a short-term rental license;
(4) If the operator's name appears to the deed to the property on which the dwelling unit is located;

There is also a new subsection 10-3-19(c) as follows:

(c) An accessory unit may not be rented as a short-term rental for more than 120 days in any calendar year.

3. Owner Occupied Requirement

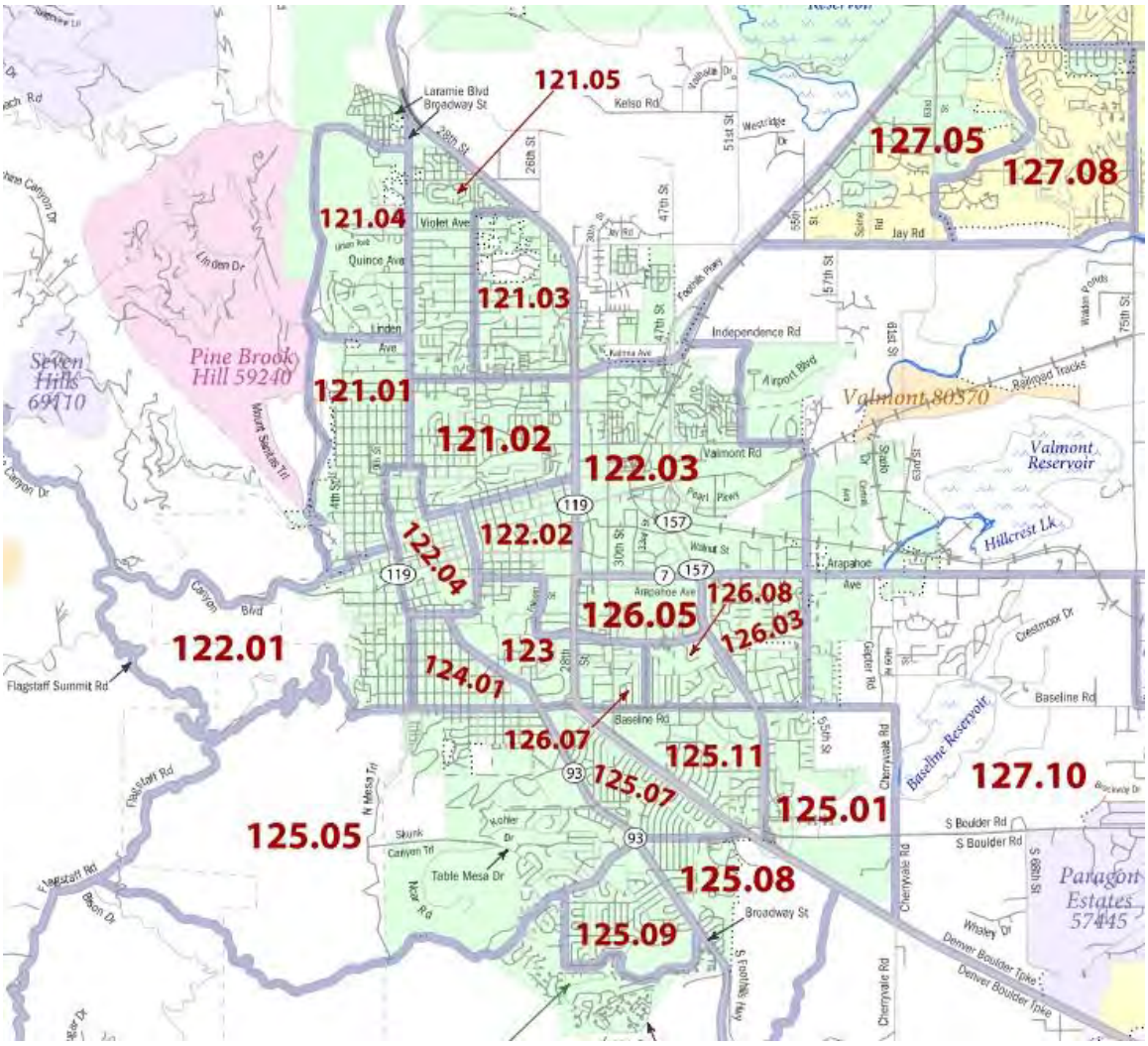
Council discussed, but did not reach consensus about whether to allow only owner-occupied short-term rentals. Council did agree to eliminate the requirement limiting owner-occupied rentals to properties occupied by the owner 275 days each year. Accordingly, this language does not appear in either Attachment B or Attachment C. As noted above, Attachment B retains the language approved on first reading restricting rentals to owner-occupied properties. Council directed that staff draft a provision requiring that the operator's name appear on the deed to the property. The intent was that this would limit rentals by limited liability corporations generally used by investors to operate rentals. Current code allows corporate persons to obtain rental licenses. If the limited liability corporation owned the property, it could still obtain a rental license. Accordingly, to meet Council's stated intent, staff recommends including a requirement that the operator be a "natural person." This requirement is reflected in subsection 10-3-19(a)(4) as follows:

> (4) If the operator is a natural person and the operator's name appears on the deed to the property on which the dwelling unit to be rented is located

Attachment C would permit non-owner-occupied short-term rentals. Council discussed a limitation on the number of days that such rentals would be permitted. Council's discussion ranged from 30 days per year to 120 days per year. Staff used 90 days per year, although this should be understood as a placeholder for Council's ultimate choice. This language appears only in Attachment C in subsection 10-3-19(d) as follows:

> (d) A dwelling unit that is not the operator's principal place of residence shall not be rented as a short-term rental from more than 90 days in any calendar year.

There also has been some discussion of limiting the number of units by limiting the number of units allowed in a census district. Austin, Texas limits the number of non-owner-occupied units to no more than three percent of the detached single-family or two-family housing units in a census tract. Implementation of such a restriction would require a significant investment of staff time. Staff would need to create a database of the number of single-family and two-family housing units in each census tract. Staff also would need to develop a methodology to associate licenses with census tracts and to check the number of licenses issued in each census tract. The census tracts in Boulder are as follows:



Another similar option might be to use the method created for limiting the number of accessory units. Section 9-6-3(a)(2) provides as follows:

> (2) Accessory Dwelling Units: In addition to the general accessory unit standards in paragraph (a)(1) of this section, the following standards apply to accessory dwelling units. The owner or the owners of a lot or parcel with an existing single-family dwelling unit may establish and maintain an accessory dwelling unit within the principal structure of a detached dwelling unit in the RL-1, RL-2, RE, RR-1, RR-2, A or P districts if all of the following conditions are met and continue to be met during the life of the accessory dwelling unit:
> (A) Neighborhood Area: In the RL-1, RL-2, RE, RR-1, RR-2, A or P zoning districts, no more than ten percent of the single-family lots or parcels in a neighborhood area contain an accessory dwelling unit. For the purpose of this subparagraph:
> (i) The "neighborhood area" in RL-1, RL-2 and P zoning districts is the area circumscribed by a line three hundred feet from the perimeter of the lot line within which any accessory dwelling unit will be located.

(ii) The "neighborhood area" in RE, RR-1, RR-2 and A zoning districts is the area circumscribed by a line six hundred feet from the perimeter of the lot line within which any accessory dwelling unit will be located.
(iii) For the purpose of calculating the ten percent limitation factor, a legal, nonconforming structure containing two or more units or a limited accessory unit is counted as an accessory dwelling unit. The city manager may promulgate regulations defining additional methods to be used in calculating the ten percent limitation factor and the neighborhood area.
(iv) If an application for an accessory dwelling unit exceeds the ten percent requirement set forth in this subparagraph (a)(2)(A), the city manager will place the applicant on a waiting list for the neighborhood area. At such time as there is room for an additional accessory dwelling unit within a neighborhood area, the city manager will notify the first eligible person on the waiting list. Such person on the waiting list shall be required to provide notice of intent to file an application within thirty days and file an application within sixty days of such notice.

Such a requirement would also require substantial staff work.

4. Rentals and Affordable Housing Units

Council decided to remove the language that would have allowed short-term rentals by lessees. This language does not appear in either Attachment B or Attachment C. Council retained the restriction prohibiting short-term rental of affordable housing units. This restriction appears in both Attachment C and Attachment D. At the August 27, 2015 meeting, Council requested information regarding the Housing Division's recommendation relating to short-term rentals of affordable housing units. Staff provided a brief explanation of division staff's views. There is some additional background regarding the process for developing this position that may assist council in this area.

Staff solicited input from nearly 800 program owners and 600 others (prospective buyers, real estate agents, lenders, and others with an interest in the program). Staff received feedback from about a dozen people, with three comments in favor of participation, six opposed, and three expressing concerns but not taking a position.

In addition, the city's volunteer Homeownership Committee, which advises staff on program policies, discussed the tradeoffs presented by this issue at two meetings. The committee consists of two program owners, a Realtor, a lender, a homeownership education counselor, and a developer.

The feedback and discussions included a recognition that permitting affordable home owner participation would provide program owners with the benefits of short-term rentals, such as greater flexibility to travel, gaining income and building wealth. The committee also discussed the concern that short-term rentals did not align with the city's goal of creating opportunities for people to live in Boulder. The committee preferred that program owners that engage in rental do so under the current long-term uses already

outlined in the covenant (one room in the home at any time, or the whole home for up to 12 months after 5 years of ownership). They also did not want the program to be considered a business opportunity for prospective buyers since the benefit to the program is to provide an affordable purchase price, and were concerned that STR participation could erode community support for the program.

On balance, the community goal of keeping affordable housing focused on providing long-term homes for residents outweighed the individual benefit of short-term rental to owners of homes in the city's program.

5. Occupancy

Council's discussion with respect to occupancy, confirmed that Council's intent is to have the occupancy of short-term rentals be the same as allowed for other dwelling units in the zone district. Council members discussed whether to make an accommodation to recognize that many, if not all, short-term rentals would be owner-occupied. Thus, if the underlying unit is at full occupancy, no additional rental would be allowed. Council directed staff to develop language that would count a family as one person for the purpose of the occupancy limitation. Thus, a family could rent a portion of a home, while another family remained in residence. This new language appears in subsection 10-3-19(a)(7) as follows:

> If the occupancy during any rental period does not exceed the occupancy permitted pursuant to Section 9-8-5, B.R.C. 1981 ("Occupancy of Dwelling Units"); provided, however, for the purposes of this section only, the operator and people related to the operator shall be counted as one person. The occupancy of any accessory unit shall be limited to a family or two unrelated persons;

6. Advertising

Council supported a restriction on the advertising of illegal rentals and a requirement that any advertisement include the rental license number. This language is included in subsection 10-3-2(a), which would also apply to long term rentals. The proposed language is as follows:

> (a) No operator shall allow, <u>or offer to allow through advertisement or otherwise,</u> any person to occupy any rental property as a tenant or lessee or otherwise for a valuable consideration unless each room or group of rooms constituting the rental property has been issued a valid rental license by the city manager. <u>Any advertisement shall include the rental licensing number assigned by the city manager.</u>

7. Energy Requirements for Short-Term Rentals

The second reading memorandum noted that short-term rentals would be required to comply with the same energy requirements as those to which long-term rentals will be

subject to in 2019. The relevant provision of the city's amendment to the International Property Maintenance Code is as follows:

> C101.1 Scope. Appendix C sets standards for residential rental dwelling unit energy efficiency. Effective January 2, 2019, the energy efficiency requirements of this section shall apply to all residential rental dwelling units licensed according to Chapter 10-3, "Rental Licenses," B.R.C. 1981, except:
>
> 1. Buildings that can be verified as meeting or exceeding the energy efficiency requirements of the Energy Conservation Code, Chapter 10-7, B.R.C. 1981; and
>
> 2. Any manufactured home; and
>
> 3. Accessory Dwelling Units and Attached Owner Accessory Units as detailed in Section 9-6-3, "Specific Use Standards Residential Uses," B.R.C. 1981.

Thus, SmartRegs will apply to all short term rentals, except rentals of accessory dwelling units and attached owner accessory units. If council would like SmartRegs to apply to accessory units licensed for short term rental, council should consider adding the following language to new section 10-3-19:

> (e) Notwithstanding the provisions of § 10-2-2 B.R.C. 1981 ("Adoption of the International Property Maintenance Code with Modifications), Appendix C, effective January 2, 2019, the energy efficiency requirements set forth in § 10-2-2, Appendix C section shall apply to all accessory units licensed as short term rentals.

8. Local Agent

For long-term rentals, a local agent is required only if the owner is not a natural person domiciled in Boulder County. Council members appeared to have an interest in requiring a contact person for short-term rentals. The proposed language is included in Section 10-3-19(a)(7) as follows:

> (7) If the operator provides to any guest and posts on the property the name and telephone number of a contact person, who for owner-operated rentals can be a permanent resident on the property and who is capable of responding to the property within sixty minutes.

9. Effective Date

The proposed ordinance would be conditioned on the passage of the short-term rental tax. The relevant language is in Section 4 of the ordinance as follows:

Section 4. In the event that the ballot measure set forth in Ordinance Number 8065, known as the "Short-Term Rental Tax," does not receive a majority of the votes cast, Section 10-3-19 shall be amended to read as follows:

10-3-19. – Short-Term Rentals.

Short-term rentals are prohibited.

This language would replace the proposed ordinance language in Section 10-3-19 allowing short-term rentals. Staff also recommends that Council consider allowing the ordinance to be effective 30 days after final passage, while directing the city manager to begin implementation no earlier than January 4, 2016. It is not clear whether the Neighborhood Right to Vote initiative would apply to this ordinance. Having the ordinance become effective before the election would eliminate any ambiguity. If passed on third reading at the September 29, 2015 special council meeting, the ordinance would become effective before Election Day. The relevant language is in section 6 of the ordinance as follows:

Section 6. This ordinance shall be effective thirty days after final passage. The city manager is directed to begin implementation no earlier than January 4, 2016.

Data and Tracking

Council discussed monitoring the effectiveness of the short-term rental program by collecting data and periodically reviewing the regulations. Staff recommends that staff record the following data and report annually to council:

- Number of short-term rental licenses
- Number of short-term licenses as compared to long-term rental licenses
    - To track conversion over time
- Location of short-term rentals by neighborhood.
    - To track concentration
- Complaints
    - Long-term as compared to short-term.
- Tax revenue for short-term
    - Total collections and number of returns filed
    - Compliance rate Number of returns/number of licenses
- Enforcement
    - Illegal rentals identified
    - Compliance achieved
    - Citations issued

ATTACHMENTS

Attachment A - Ordinance 8050 as passed on first reading
Attachment B - Ordinance 8050 with amendments (Restricted to owner-occupied)
Attachment C - Ordinance 8050 with amendments (not restricted to owner-occupied)

ORDINANCE NO. 8050

AN ORDINANCE AMENDING TITLE 10 "STRUCTURES" AMENDING SECTION 10-1-1 "DEFINITIONS" BY AMENDING THE DEFINITION OF "OPERATOR," AMENDING THE DEFINITION OF "RENTAL PROPERTY," ADDING A NEW DEFINITION OF "SHORT-TERM RENTAL," ADDING A NEW SECTION 10-3-19 "SHORT-TERM RENTALS" AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. Amend Section 10-1-1 as follows:

10-1-1. – Definitions.

. . .

Operator means any person, who is an owner, is an owner's representative, has charge of, or controls any dwelling or parts thereof. An *operator* includes a lessee.

. . .

Rental Property means all dwellings, dwelling units, and rooming units located within the city and rented or leased for any valuable consideration, but excludes dwellings owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as health care facilities. *Rental Property* includes any property used as a short-term rental.

. . .

Short-term rental means any dwelling, dwelling unit, rooming unit, room or portion of any dwelling unit, rooming unit, room rented or leased for valuable consideration for periods of time less than 30 days, but excludes commercial hotels, motels or bed and breakfasts. A short-term rental is a use that is accessory to such dwelling, dwelling unit, rooming unit, or room.

. . .

Section 2. A new Section 10-3-19 is added to read:

10-3-19. – Short-Term Rentals.

Short-term rentals are prohibited except:

(a) The rental is of the operator's principal residence;
(b) The occupancy during any rental period does not exceed the occupancy permitted pursuant to Section 9-8-5, B.R.C. 1981 ("Occupancy of Dwelling Units");

(c) The operator resides in the premises rented for a period of at least 275 days in each calendar year; and

(d) The rental property is not a permanently affordable unit.

Section 3. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 2nd day of June, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 27th day of August, 2015.

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_____
Mayor

Attest:

_____
City Clerk

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ORDINANCE NO. 8050

AN ORDINANCE AMENDING TITLE 10 "STRUCTURES" AMENDING SECTION 10-1-1 "DEFINITIONS" BY ADDING A NEW DEFINITION OF "ACCESSORY UNIT," AMENDING THE DEFINITION OF "RENTAL PROPERTY," AMENDING SECTION 10-3-2 "RENTAL LICENSE REQUIRED BEFORE OCCUPANCY AND LICENSE EXEMPTIONS," ADDING A NEW DEFINITION OF "SHORT-TERM RENTAL," ADDING A NEW SECTION 10-3-19 "SHORT-TERM RENTALS" AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. Section 10-1-1 is amended to read as follows:

10-1-1. – Definitions.

. . .

Accessory Unit means an accessory unit permitted under Section 9-6-3(a), B.R.C. 1981 ("Accessory Units").

. . .

Rental Property means all dwellings, dwelling units, and rooming units located within the city and rented or leased for any valuable consideration, but excludes dwellings owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as health care facilities. *Rental Property* includes any property used as a short-term rental.

. . .

Short-term rental means any dwelling, dwelling unit, rooming unit, room or portion of any dwelling unit, rooming unit, room rented or leased for valuable consideration for periods of time less than 30 days, but excludes commercial hotels, motels or bed and breakfasts. A short-term rental is a use that is accessory to such dwelling, dwelling unit, rooming unit, or room.

. . .

Section 2. Section 10-3-2(a) is amended to read as follows:

10-3-2. - Rental License Required Before Occupancy and License Exemptions.

(a) No operator shall allow, or offer to allow through advertisement or otherwise, any person to occupy any rental property as a tenant or lessee or otherwise for a valuable

consideration unless each room or group of rooms constituting the rental property has been issued a valid rental license by the city manager. Any advertisement shall include the rental licensing number assigned by the city manager.

Section 3. A new Section 10-3-19 is added to read:

10-3-19. – Short-Term Rentals.

(a) Short-term rentals are prohibited except:

(1) If the rental is of the operator's principal residence;

(2) If the rental license is for an accessory unit, only the accessory unit and not any other dwelling unit on the same property may be a licensed or used as a short-term rental;

(3) If a dwelling unit is licensed for short-term rental, then no accessory unit on the same property may be issued a short-term rental license;

(4) If the operator is a natural person and the operator's name appears on the deed to the property on which the dwelling unit to be rented is located;

(5) If the operator certifies that the dwelling unit is equipped with operational smoke detectors, carbon monoxide detectors and other life safety equipment as may be required by the city manager;

(6) If the occupancy during any rental period does not exceed the occupancy permitted pursuant to Section 9-8-5, B.R.C. 1981 ("Occupancy of Dwelling Units"); provided, however, for the purposes of this section only, the operator and people related to the operator shall be counted as one person. The occupancy of any accessory unit shall be limited to a family or two unrelated persons;

(7) If the operator provides to any guest and posts on the property the name and telephone number of a contact person, who for owner-operated rentals can be a permanent resident on the property and who is capable of responding to the property within sixty minutes; and

(8) If the rental property is not a permanently affordable unit.

(b) Short-term rentals, other than short-term rentals of Accessory Units permitted under Section 9-6-3(a), B.R.C. 1981 ("Accessory Units"), shall not be subject to the inspection requirements of Section 10-3-3(a) B.R.C. 1981 ("Licenses").

(c) An accessory unit may not be rented as a short-term rental for more than 120 days in any calendar year.

Section 4. In the event that the ballot measure set forth in Ordinance Number 8065, known as the "Short-Term Rental Tax," does not receive a majority of the votes cast, Section 10-3-19 shall be amended to read as follows:

10-3-19. – Short-Term Rentals.

Short-term rentals are prohibited.

Section 5. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

Section 6. This ordinance shall be effective thirty days after final passage. The city manager is directed to begin implementation no earlier than January 4, 2016.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 2nd day of June, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 15th day of September, 2015.

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_____
Mayor

Attest:

_____
City Clerk

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ORDINANCE NO. 8050

AN ORDINANCE AMENDING TITLE 10 "STRUCTURES" AMENDING SECTION 10-1-1 "DEFINITIONS" BY ADDING A NEW DEFINITION OF "ACCESSORY UNIT," AMENDING THE DEFINITION OF "RENTAL PROPERTY," AMENDING SECTION 10-3-2 "RENTAL LICENSE REQUIRED BEFORE OCCUPANCY AND LICENSE EXEMPTIONS," ADDING A NEW DEFINITION OF "SHORT-TERM RENTAL," ADDING A NEW SECTION 10-3-19 "SHORT-TERM RENTALS" AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. Section 10-1-1 is amended to read as follows:

10-1-1. – Definitions.

. . .

Accessory Unit means an accessory unit permitted under Section 9-6-3(a), B.R.C. 1981 ("Accessory Units").

. . .

Rental Property means all dwellings, dwelling units, and rooming units located within the city and rented or leased for any valuable consideration, but excludes dwellings owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as health care facilities. *Rental Property* includes any property used as a short-term rental.

. . .

Short-term rental means any dwelling, dwelling unit, rooming unit, room or portion of any dwelling unit, rooming unit, room rented or leased for valuable consideration for periods of time less than 30 days, but excludes commercial hotels, motels or bed and breakfasts. A short-term rental is a use that is accessory to such dwelling, dwelling unit, rooming unit, or room.

. . .

Section 2. Section 10-3-2(a) is amended to read as follows:

10-3-2. - Rental License Required Before Occupancy and License Exemptions.

(a) No operator shall allow, or offer to allow through advertisement or otherwise, any person to occupy any rental property as a tenant or lessee or otherwise for a valuable consideration unless each room or group of rooms constituting the rental property has

been issued a valid rental license by the city manager. Any advertisement shall include the rental licensing number assigned by the city manager.

Section 3. A new section 10-3-19 is added to read:

10-3-19. – Short-Term Rentals.

(a) Short-term rentals are prohibited except:

(1) If a dwelling unit is licensed for short-term rental, then no accessory unit on the same property may be issued a short-term rental license;

(2) If the operator's name appears to the deed to the property on which the dwelling unit is located;

(3) If the operator is a natural person and the operator's name appears on the deed to the property on which the dwelling unit to be rented is located;

(4) If the operator certifies that the dwelling unit is equipped with operational smoke detectors, carbon monoxide detectors and other life safety equipment as may be required by the city manager;

(5) If the occupancy during any rental period does not exceed the occupancy permitted pursuant to Section 9-8-5, B.R.C 1981 ("Occupancy of Dwelling Units"); provided, however, for the purposes of this section only, the operator and people related to the operator shall be counted as one person. The occupancy of any accessory unit shall be limited to a family or two unrelated persons; and

(6) If the rental property is not a permanently affordable unit.

(b) Short-term rentals, other than short-term rentals of accessory units, shall not be subject to the inspection requirements of section 10-3-3(a) B.R.C. 1981 ("Licenses").

(c) An accessory unit may not be rented as a short-term rental for more than 120 days in any calendar year.

(d) A dwelling unit that is not the operator's principal place of residence shall not be rented as a short-term rental from more than 90 days in any calendar year.

Section 4. In the event that the ballot measure set forth in Ordinance Number 8065, known as the "Short-Term Rental Tax," does not receive a majority of the votes cast, Section 10-3-19 shall be amended to read as follows:

10-3-19. – Short-Term Rentals.

Short-term rentals are prohibited.

Section 5. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

Section 6. This ordinance shall be effective thirty days after final passage. The city manager is directed to begin implementation no earlier than January 4, 2016.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 2nd day of June, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 15th day of September, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

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CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE: Request for Direction
Request from Boulder Community Health Foundation to allow submittal of appropriate applications that seek approval of a development plan that would include two buildings in excess of the height limit

PRESENTER/S
Jane S. Brautigam, City Manager

EXECUTIVE SUMMARY

BCH will be moving all services from its Broadway location by December 2017. This will include the relocation of its inpatient behavioral health unit, a 15 bed unit that is always full and requires specialized building security. The building that BCH proposes is anticipated to be 3 stories, "roughly" 55 feet (see letter from BCH Foundation President Frank Bruno, attached), which is in excess of the recent height moratorium imposed by city council on commercial buildings. In addition, BCH seeks to build a parking structure of similar height. These buildings will take 18 months to construct so BCH must start the approval process fairly soon in order to meet the December 2017 move date. BCH seeks direction from council allowing BCH to apply for buildings that exceed the height restrictions imposed by the moratorium. This does not mean that the buildings would be approved, only that the applications would not be automatically rejected by staff or Planning Board for noncompliance with the height restrictions.

STAFF RECOMMENDATION

Suggested Motion Language:
Staff requests council consideration of this matter and action in the form of the following motion:

Direct staff to accept the filing of an application for review of buildings as proposed in the correspondence from Frank Bruno, with directions to staff and Planning Board to consider as part of the review process whether such buildings should receive a variance from the height moratorium

BACKGROUND

See letter from BCH Foundation President Frank Bruno, attached

ATTACHMENTS

A. August 25, 2015 letter from BCH Foundation President Frank Bruno

Boulder Community Health Foundation

Supporting BCH for over 35 years

Board of Trustees

Frank W. Bruno
President

Nancy M. Stevens
Chair

John T. Greff
Vice Chair

Mary Nutt
Secretary

Scott Patten
Treasurer

Terri Benjamin

John Fleagle, M.D.

David P. Gehant

Alan F. Heath

Helayne Jones

Cindy Lefkoff

Eric Love

Patrick J. Mahaffy

Michael Noesen

Lisa O'Brien

Bryan Pieper

Linda Stancliffe

Vicki Trumbo

Nancy Vinson

August 25, 2015

Ms. Jane Brautigam
City Manager
City of Boulder
P.O. Box 791
Boulder, CO 80306

Dear Jane,

I am writing to request guidance as to the correct process by which Boulder Community Health may pursue a height variance beyond the current 35-feet imposed by Council's recent moratorium on commercial building height. While I understand the dynamics that led the Council to take this step, I believe there are situations and locations that deserve further consideration. This height variance would be applied to new buildings proposed for Riverbend Office Park.

The people of the Boulder County region have long been able to expect local access to a full range of health care services, including Behavioral Health and Rehabilitation services. Those specific services are currently provided at our Broadway campus. The impending sale of our Broadway campus means our inpatient Behavioral Health and Rehabilitation units need to be relocated.

In order to continue providing these safety-net services, we need to build a new facility at Riverbend. The current moratorium on height variances will hamper our ability to construct a facility adequate to meet current and projected community demand for these two important services. Moreover, while alternate transportation modes work well for some employees, patients and visitors, the vast majority of our patients arrive for appointments by personal vehicle, and that is not likely to change significantly in the near future. Accordingly, we will need to construct additional parking adjacent to the proposed patient care building.

There are arguably a few sections of the city where additional height and density make sense and have a far lower impact on our residents than in other parts of the community. We believe the Foothills/Riverbend site fits that profile. The Foothills campus is set back considerably from Arapahoe and slopes downward to the north. In Riverbend, the combination of the trees along South Boulder Creek and the buildings of Ball Aerospace just to our north create a near-perfect environment for additional height.

P.O. Box 9019 Boulder, CO 80301-9019
303.440.2167 www.bch.org Tax ID#: 84-0772664

I respectfully request that you notify the City Council at your earliest convenience that BCH is requesting permission to seek a height variance of roughly 55 feet for a new patient care facility and a parking structure of similar height. We also require guidance as to the process under which City Council will permit BCH to apply for the height variance.

BCH requests the City Council's permission to apply for the variance before we proceed further on this complicated and time-consuming endeavor. We will then bring forward the Concept Plan as suggested by City staff and, later, the actual height variance request for City Council approval.

If BCH were to proceed with the Concept Plan without the ability to request permission to ask for the height variance, and we were denied by the Planning Board, that would be a significant set-back that would impact the construction completion date and patient move-in. This would not benefit BCH or the City of Boulder, given your intent to relocate City facilities to our Broadway campus.

There has always been a strong bond between the City and BCH, and mutual support has been the hallmark of this relationship. This is the moment when that bond will be most needed, as BCH works hard and efficiently expand the provision of health care in Boulder County while vacating our Broadway campus to make way for the City's purchase and use of those facilities.

Respectfully,

Frank W. Bruno
President, BCH Foundation

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE: Matters from the City Council - City Council Representatives to the University Hill Reinvestment Working Group

PRESENTER/S
Molly Winter, Director, Downtown and University Hill Management/Parking Services
Sarah Wiebenson, Hill Community Development Coordinator, DUHMD/PS

EXECUTIVE SUMMARY
Staff is requesting direction regarding Council's desire to appoint City Council representatives to the University Hill Reinvestment Working Group that will develop recommendations for long-term, sustainable funding and governance options for Hill revitalization.

STAFF RECOMMENDATION
Suggested Motion Language:
Staff requests council consideration of this matter and action in the form of the following motion:

Motion to appoint ___ and ___ to represent the City Council on the University Hill Reinvestment Working Group.

BACKGROUND
At the April 28, 2015 City Council study session, staff was encouraged to move forward with establishing a working group to look at long-term governance structures and funding mechanisms to continue Hill improvement efforts beyond its initial two-year time frame (2014-2016). Exploration of these options, and identifying a path to self-sustaining reinvestment efforts, is a key element of the Council framework for the Hill Reinvestment Strategy.

At the conclusion of the Hill residential use moratorium in early 2015, it was also suggested that the city explore tax policies and revenue sharing options to support public improvements, e.g. public parking on the 'catalyst' sites to attract more diverse commercial uses to the Hill.

UNIVERSITY HILL REINVESTMENT WORKING GROUP
With the assistance of Progressive Urban Management Associates (PUMA), staff has developed the attached suggested working group membership framework and timeline to address both objectives, engaging a mix of stakeholders with demonstrated investment in the long-term vision and interests of the Hill community.

Organizations representing a citywide perspective (from the City Council and the University of Colorado-Boulder), the Hill Commercial Area (HCA) and the Hill Residential Service District (RSD) will select their own representative(s), with an eye toward those who are already engaged in external or community relations.

The group will participate in two workshops facilitated by PUMA and members would remain involved as the recommendation is presented at a public open house and to the University Hill Commercial Area Management Commission (UHCAMC), and finally for consideration by the City Council.

The intention is to confirm the working group members as soon as possible to be able to forward a recommendation to the City Council prior to the expiration of the initial time frame of the Hill Reinvestment Strategy in September 2016.

ATTACHMENTS

- Long-term Governance & Funding Mechanisms Timeline, Tasks and Proposed Membership

University Hill Reinvestment Strategy
Long-Term Governance & Funding Mechanisms
WORKING GROUP OVERVIEW - REV3

		Working Group Membership
ALL	1	City Council
	2	City Council
	3	CU Administration
HCA	4	UHCAMC
	5	The Hill Boulder
	6	Responsible Hospitality Group
	7	Property Owner-Commercial
	8	Property Owner-Residential
RSD	9	UHNA
	10	UHNA
	11	UHNA
	12	CU-Off Campus Housing
	13	RSD/BARHA
	14	IFC
	15	CUSG

Proposed Timeline	Tasks
August 2015	Identify working group members.
September	Invite/confirm working group members.
September	Review Council goals for University Hill, set meeting schedule.
October	**Workshop** to identify long-term funding needs for the Hill.
November	Communicate long-term funding priorities to consultant.
December	Consultant prepares long-term funding/governance mechanism options.
January 2016	**Workshop** to review long-term funding/governance mechanism options.
February	Communicate optimal tool, or package of tools to consultant.
March	**Stakeholder open house** to present group's recommended strategy.
April	Incorporate stakeholder feedback into revised strategy.
May	Staff identifies next steps to pursue recommended strategy.
June	Staff review of budget/policy impacts to pursue recommended strategy.
July	**UHCAMC** review and recommendation of draft recommended strategy.
August	Incorporate UHCAMC feedback into revised strategy.
September	Staff finalize recommended strategy for presentation to Council.
TBD	**Council** review of recommended strategy.

Key:		
	ALL	Citywide Stakeholder Representatives
	HCA	Hill Commercial Area Stakeholder Representatives
	RSD	Residential Service District Stakeholder Representatives

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 15, 2015

AGENDA TITLE
2015 Mid-Year Recruitment to Boards and Commissions

PRESENTERS
Jane S. Brautigam, City Manager
Patrick von Keyserling, Communications Director
Alisa D. Lewis, City Clerk and Director of Support Services
Heidi Leatherwood, Assistant City Clerk

Executive Summary
Staff is requesting that Council make appointments to the City of Boulder Boards and Commissions for the 2015 Mid Year Boards and Commissions recruitment.

Attachment A is an excerpt from the BRC, 1981 Title II, Appendix – Council Procedure, IX – Nominations and Elections, outlining the process for nominating and appointing board and commission members.

List of Appointments

Board of Zoning Adjustment	Appoint one new member to a five-year term through March 2020.
Landmarks Board	Appoint one new member (Architect/Planner) to a five-year term through March 2020. Appoint one new member (Resident) to a four-year term through March 2019.
Water Resources Advisory Board	Appoint one new member to a five-year term through March 2020.

MATTERS TO CONSIDER IN MAKING APPOINTMENTS

Charles Howe Served on WRAB 2009-2014

Attachment A – Process for B&C Nominations and Appointments
Attachment B – List of Applicants

BRC, 1981 – Title II, Chapter 1, Addendum

IX. - Nominations and Elections

The mayor and mayor pro tem shall be selected in the following manner:

A. On the second Tuesday in November, of every odd-numbered year, at 6:00 p.m. council members and council members elect shall gather in council chambers for the purpose of expressing interest in nomination for mayor and/or mayor pro tem for the new council. The mayor shall chair the meeting. Any council member with an unexpired term or council member elect may express his or her interest in serving as mayor or mayor pro tem. Any person expressing an interest shall make a speech regarding his or her qualifications for either or both positions. Each candidate shall make only one speech regardless of whether the council member is seeking either position or both positions. No speech shall exceed five minutes in length.

B. The council meeting convened pursuant to Charter Section 9, on the third Tuesday in November of odd-numbered years, shall be chaired by the council member with the most consecutive years of service on the council who did not express an interest in serving as mayor or mayor pro tem at the meeting on the second Tuesday in November. If there is more than one council member with the most consecutive years of service on council not seeking to be elected mayor or mayor pro tem, the city clerk shall place the names of each such council member in a container and select one who shall preside at the convening meeting.

C. In the interest of transparency and public participation, after the new council members are sworn in pursuant to Section 9 of the Charter, the meeting convened at 10:00 a.m. on the third Tuesday in November shall be continued until 6:00 p.m. At that time, the council shall hold a public hearing on the selection of the mayor and mayor pro tem.

D. The mayor pro tem shall serve for a period of one year. In even numbered years, council members interested in serving as mayor pro tem shall express interest and speak to their qualifications at the first meeting in November. In even numbered years, nominations and election for the mayor pro tem shall be held at the second meeting in November.

E. Nominations. At the conclusion of public testimony, council will consider nominations for mayor and mayor pro tem. Any council member may nominate anyone that expressed an interest and made a speech at the second Tuesday in November, including himself or herself, for either position. Provided, however, that the requirement of prior expression of interest shall be waived for any council member whose election was not decided before the second Tuesday in November. Nominations for mayor and acting mayor (generally referred to as mayor pro tem) are made orally. No second is required, but the consent of the nominee should have been obtained in advance. Any person so nominated may at this time withdraw his or her name from nomination. Silence by the nominee shall be interpreted as acceptance of candidacy.

F. Order of Vote. A motion then is made and seconded to close the nominations and acted on as any motion. The voting is accomplished by raising of hands unless there is only one nomination and a unanimous vote for the candidate. The names shall be called in alphabetical order or reverse alphabetical order depending upon a flip of a coin by the clerk, who shall thereafter alternate the order for all further election ballots during the same meeting.

G. Ballots. If it is the desire of the council to use paper ballots rather than a voice vote, such a procedure is proper. However, since there is no provision for a secret vote, each ballot must be signed by the council member casting the vote.

H. Elimination Process. If any of the candidates nominated receives five votes on the first ballot, such person is declared elected. If none of the candidates receives five votes on the first ballot, the candidate (plus ties) receiving the lowest number of votes is dropped as a candidate unless this elimination would leave one candidate or less for the office. If this elimination would leave one candidate or less for the office, another vote is taken, and once again the candidate (plus ties)

receiving the lowest number of votes is dropped as a candidate unless this elimination would leave one candidate or less for the office. In the event that one candidate or less is left for the office after the second vote, a flip of a coin shall be used in order to eliminate all but two candidates for the office.

I. Impasse Process. In the event that neither of the two final candidates receives five votes on the first ballot on which there are only two candidates, another vote shall be taken. If no candidate receives five votes on the second such ballot, the candidate who receives the votes of a majority of the council members present shall be declared elected. If no candidate receives such a majority vote, the meeting shall be adjourned for a period not to exceed twenty-four hours, and new nominations and new ballots shall be taken. If no candidate receives five votes on the first ballot at the adjourned meeting on which there are only two candidates, another vote shall be taken. If no candidate receives five votes on the second such ballot, the candidate who receives the votes of a majority of the council members present shall be declared elected. If no candidate receives a majority vote on the second such ballot at the adjourned meeting, a flip of a coin shall be used to determine which of the two final candidates shall be declared elected as mayor or mayor pro tem.

J. Appointment of Board Alternates. In the event that the Boulder Revised Code provides for the appointment of temporary alternate board members, such members shall be appointed as follows: The most recently departed member of the board needing a temporary alternate, who is eligible and able to serve, shall be appointed. In the event that more than one member departed at the same time, alternates shall be chosen in reverse alphabetical order, with appointments alternating between the eligible and able former members who departed at the same time. In the event that the most recently departed member is not eligible or able to serve, the next previously departed member shall be chosen, applying the procedure above if there is more than one potential appointee. No person shall be eligible for a temporary alternate appointment if he or she was removed from the board by the council. A temporary alternate shall be appointed only when a member's absence either results in the lack of a quorum or may prevent the board from taking action. No person appointed as a temporary alternate shall serve at two consecutive meetings of the board to which he or she is appointed unless it is necessary to complete an agenda item that has been continued to another meeting.

K. Boards and Commissions. Elections to fill positions on boards or commissions shall be conducted in the same manner. However, a majority of the council members present rather than a majority of the full council is sufficient to decide an election of this nature. Each board or commission vacancy shall be voted on separately.

L. Advertising of Vacancies After Partial Terms. Prior to advertising board and commission vacancies, when a person has already served on the board or commission and is seeking reappointment, council should make the decision of whether or not to advertise that particular vacancy.

Applicant List

Landmarks Board Applicants

Briana Butler
1718 Mapleton Avenue
Boulder, CO 80304
Occupation: Student/Visual Associate

George Clements
2621 5th Street
Boulder, CO 80304
Occupation: General Contractor (Tennessee)

Applicant List

Water Resources Advisory Board Applicants

Mike Barnes
1715 View Point Rd
Boulder, CO 80305
Occupation: Engineer

Charles Howe
#92
4840 Thunderbird Drive
Boulder, CO 80303
Occupation: Professor of Economics-Retired, currently R

Council Working Agreements

Council Process:

- The council will work on general discipline in being prepared to ask questions and make comments.
- The council asks the mayor to intervene if discussion on agenda items extends beyond a reasonable time frame.
- The council will engage in the practice of colloquy to fully explore the different sides of a specific point.
- The mayor will ask the city clerk to set the timer lights for council members if discussions begin to exceed efficient debate. Members should respect the lights as a time reminder, but will not be bound by them as absolute limits.
- Rather than restating a point, council members should simply say "I agree."
- The council agenda committee may, with advance notice, adjust each public speaker's time to two rather than three minutes during public hearings for items on which many speakers want to address the council.
- Council members will grant each other permission to mentor and support each other on how each person contributes to the goal of being accountable for demonstrating community leadership.
- In order to hear each other respectfully and honor the public, council will avoid body language that could convey disrespect, side conversations, talking to staff, whispering to neighboring council members, passing notes, and leaving the council chambers.
- Regarding not revisiting past discussions, the council should check-in with fellow members periodically to ensure that this is not an issue.
- During a council meeting, any form of electronic messages, including emails and texts, that relate to matters being considered and which arrived at any time during that meeting shall not be read by council members, nor shall any messages on matters under consideration be sent by council members.

Council Communication:

- Council members agree to keep quasi-judicial roles scrupulously separate between members of boards and members of council, avoid expressing ideas to board members on things coming before the board, and carefully disclose or recuse themselves when there is involvement with board members on a topic.
- Council agrees to e-mail the city manager about issues that they run into that staff or boards may be working on so that the manager can be actively involved in managing issues and keeping the full council informed well in advance of items coming before council for action.
- Members will keep the full council informed on issues from committees, public groups or other agencies that they are following, through hot line e-mails, brief verbal reports at the end of council meetings or other means.
- The council will find ways to support majority council decisions and adequately inform the public, through responsive letters that explain how divergent points of view were heard and honored in decisions, via standard e-mail responses for hot issues, by occasional council Letters to the Editor to clarify the facts, or by seeking out reporters after meetings to explain controversial decisions.

Council Committees:

- Council committee meetings will be scheduled to accommodate the council members on the committee.
- Notice of the times and places for each committee meeting will be noticed once per month in the Daily Camera.
- The council agenda will include time for reports from committees under Matters from Members of Council, noting that written communications from the committees are appropriate as well.

Selection of Mayor and Mayor Pro Tem:

- Council members will make a good faith effort to the select the mayor and mayor pro tem in an open and transparent process.
- After the council election, members seeking election as mayor or mayor pro tem should:
    - make their interest in the positions known to their fellow members as soon as possible;
    - focus their communication with other council members on the positive attributes the member brings to the positions; and
    - refrain from any negative remarks about any person seeking election as mayor or mayor pro tem.
- Nominated individuals' presentations may include, but need not be limited to the following:
    - the skills and attributes the member would bring to the mayoral position;
    - the member's ability to efficiently run council meetings, respect the views of the minority while allowing the majority to rule, and perform other mayoral duties;
    - how the member would represent the city and city council and mayor position at gatherings outside of city council meetings
    - how the member would serve on and appoint other council members to regional and national boards and commissions; and
    - how the member would promote trust of the community and other council members.
- Council members should work to avoid divisiveness by being inclusive during the mayoral selection process.

Agreed: Members of the Boulder City Council

Approved by Council: January 21, 2014

City of Boulder
2015 Work Plan

(Tentative as of December 16, 2014)

	Project		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Climate and Energy	Energy Future and Associated Projects	Council	CC: Open Access Transmission Tariff			
			SS: Power Supply	SS (2): Rates, Energy Services, Power Supply	Project update	Project update
			Budget update	Budget update	Budget update	Budget update
		Staff Activities	Municipalization Transition Plan	Municipalization Transition Plan	Municipalization Transition Plan	Municipalization Transition Plan
	Climate Commitment	Council		SS: Review interim goals, targets and strategies		
		Staff Activities	Launch action plan	Energy system transformation; blue print convening	Implementation based on action plan	Implementation based on action plan
Housing/Land Use Planning	Comprehensive Housing Strategy (Housing Boulder)	Council	Briefing	SS (2)		
		Staff Activities	Housing Matters launch event, engagement activities	Draft strategy development	Implementation based on adopted strategy	Implementation based on adopted strategy
	Sustainable Streets and Centers/ East Arapahoe	Council	SS: Direction of preferred scenario	SS : Draft plan and action plan		
				Next Corridor - 30th St or Colorado		
		Staff Activities	Develop East Arapahoe action plan			
	Resilience	Council	SS	Direction or IP	Direction or IP	Direction or IP
		Staff Activities	Develop scoping plan	Strategy analysis and development	Strategy analysis and development	Strategy analysis and development
	Boulder Valley Comprehensive Plan	Council		SS	Direction or IP	Direction or IP
		Staff Activities	Issues identification	Strategy analysis and development	Strategy analysis and development	Strategy analysis and development
Transportation	Transportation Master Plan Implementation	Council	Update and coordinate with BVCP		Update and coordinate with BVCP	
		Staff Activities				
	Regional Travel	Council		Briefing		Briefing
		Staff Activities	Staff and elected official activities ongoing			
	Access Management and Parking Strategy (AMPS)	Council		SS : Review options & Update; including recommendations for TDM tool kit for new development	Council action on TDM Tool Kit for new development	Recommendations including planning code changes
						SS: Review options and update
		Staff Activities	Ongoing work plan in 7 focus areas	Ongoing work plan	Ongoing work plan	Ongoing work plan
			Alternatives analysis and specific option development		Specific option development/refinements	
			Joint Board workshop & public engagement		Joint Board workshop & public engagement	

City of Boulder
2015 Work Plan

(Tentative as of December 16, 2014)

	Project		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Civic Area	Civic Area Implementation	Council	SS: Parkland Concepts Plan	CC: Approval of Concept Plan		
		Staff Activities	Outreach to community & partners; create delivery plan for spring, summer, fall events	Deliver spring events	Deliver summer activities and events	Review 2015 activation; compare lessons from 2014 and revise for 2016
			Draft of parkland concept plan options for public workshop, Boards, Council review	Board/Commission input on Concept Plan	Begin detailed design work on park improvements	Complete detailed design work for bidding
			Develop overall site master plan concepts, begin to formulate major capital projects	Initial feasibility planning on major capital projects	Continue to develop capital projects, identify potential partners, explore financing options	Continue to develop capital projects, identify potential partners, explore financing options
Local Food	Sustainable Agriculture and Local Foods	Council	IP and local meals for Council Pilot		Council consideration of Local Food Procurement Policy; Review and acceptance of Ag Resources Management Plan	Council consideration of Local Food Procurement Policy; Review and acceptance of Ag Resources Management Plan
		Staff Activities				
Livability	University Hill Moratorium	Council	SS: Review options		IP	
			CC: Public Hearing and Decision			
		Staff Activities	Recommendation & development of ordinances, changes and recommend other strategies to address Moratorium goals	Follow up on other strategies & coordination with Hill Reinvestment Strategy; incorporate strategies into other work plan		
			Board review & public engagement		Board review & public engagement	
	University Hill Reinvestment Strategy	Council		Direction on 14th Street redevelopment proposal		SS
				SS: Update on strategy		
		Staff Activities	Residential service district (RSD) pilot program	RSD pilot program	RSD pilot program	RSD pilot program
			Work plan implementation	Work plan implementation	Work plan implementation	On-going work plan implementation
			Establish benchmarks and evaluation criteria	Commercial district: Eco Pass Study & Commercial bear dumpsters	Implement volunteer program for clean up	Evaluate existing programs
				Integration of strategy recommendations from Moratorium	Research options for sustainable governance & funding	Develop options for sustainable governance & funding
			14th Street Lot public/private partnership redevelopment options re: work force affordable housing	14th Street Lot public/private partnership redevelopment options re: work force affordable housing		
			Stakeholder engagement	Stakeholder engagement	Stakeholder engagement	Stakeholder engagement
	Homeless Action Plan	Council	IP: 2014 Accomplishments	SS: As part of Human Services strategy update		IP - Services and Regional coordination update
		Staff Activities				
	Community Cultural Plan	Council	Council update and input on testing phase	Briefing	SS: Adoption of Community Cultural Plan	
		Staff Activities	Research phase complete. Drafting phase complete. Testing phase begins	Testing phase complete. Certification phase begins	Implementation begins. New public art policy drafting	Public Art Policy drafting

City of Boulder
2015 Work Plan

(Tentative as of December 16, 2014)

	Projects		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Other	Boulder Junction	Council				
		Staff Activities	Ongoing redevelopment coordination	North Side of Pearl and Goose Creek bridge landscaping install. Bridge opens		Depot Square opens
	Capital Projects Activity	Council	Ongoing and Wastewater Collection System Rehabilitation program begins	Ongoing	SS: 2016-2021 CIP	Ongoing
		Staff Activities				
	CityWide Special Events	Council	Report on 2015 City Events			Summary of 2015 City Events
		Staff Activities	Implement new events application and internal review process	Refine systems as needed	Refine systems as needed	Improve events application for new online Landlinks System in 2016
	Community Broadband	Council	SS			SS
		Staff Activities	Broadband Action Group formation and consultant assessment	Consultant assessment continued	Consultant assessment continued	Present findings and recommendations
	Design Excellence	Council	SS: Staff Recommendations design tools/process changes	IP	CC: Draft recommendations/Adopt strategy	
		Staff Activities	Issues identification/ preliminary work on design tools/ process changes	Technical analysis /develop options	Draft recommendations	
			Public engagement	Boards/public engagement	Boards/public engagement	
	Flood-related Annexations	Council				
		Staff Activities	Flood Annexations - Individual	Flood Annexations - Old Tale Rd	Ongoing	Ongoing
	Human Services Strategy	Council		SS		Public Hearing
		Staff Activities				
	Flood Management	Council			IP: Stormwater Master Plan and Wastewater Collection System Master Plan consideration	
		Staff	Stormwater Master Plan and Wastewater Collection System Master Plan updates continue	Stormwater Master Plan and Wastewater Collection System Master Plan updates continue		
	Smoking Ban - Implementation	Council	CC: Second reading			
		Staff Activities	Education campaign	Enforcement begins	Monitor Outcomes	Monitor Outcomes
	Vacation Rental by Owner (VRBO)	Council	SS			
		Staff Activities	Research regulations and possible fees or taxes			

COUNCIL MEMBERS

Matthew Appelbaum	Mayor
Suzanne Jones	Mayor Pro Tem
Macon Cowles	Council Member
George Karakehian	Council Member
Lisa Morzel	Council Member
Tim Plass	Council Member
Andrew Shoemaker	Council Member
Sam Weaver	Council Member
Mary Young	Council Member

COUNCIL EMPLOYEES

Thomas A. Carr	City Attorney
Jane S. Brautigam	City Manager
Linda P. Cooke	Municipal Judge

KEY STAFF

Mary Ann Weideman	Assistant City Manager
Bob Eichem	Chief Financial Officer
Alisa D. Lewis	City Clerk
Patrick von Keyserling	Communications Director
David Driskell	Executive Director of Community Planning and Sustainability and Acting Director of Housing
Molly Winter	Downtown, University Hill Management & Parking Services Director
Heather Bailey	Executive Director of Energy Strategy and Electric Utility Development
Michael Calderazzo	Fire Chief
Joyce Lira	Human Resources Director
Karen Rahn	Human Services Director
Don Ingle	Information Technology Director
Eileen Gomez	Labor Relations Director
David Farnan	Library and Arts Director
James Cho	Acting Municipal Court Administrator
Tracy Winfree	Acting Open Space and Mountain Parks Director
Yvette Bowden	Parks and Recreation Director
Greg Testa	Police Chief
Maureen Rait	Executive Director of Public Works
Cheryl Pattelli	Director of Fiscal Services
Mike Sweeney	Acting Transportation Director
Jeff Arthur	Utilities Director

2015 City Council Committee Assignments

INTERGOVERNMENTAL ORGANIZATIONS

Beyond the Fences Coalition	Morzel, Plass (Castillo – staff alternate)
Boulder County Consortium of Cities	Young, Morzel (alternate)
Colorado Municipal League (CML) – Policy Committee	Jones, Cowles (Castillo – staff alternate)
Denver Regional Council of Governments (DRCOG)	Jones, Plass
Housing Authority (Boulder Housing Partners)	Shoemaker
Metro Mayors Caucus	Appelbaum
National League of Cities (NLC)	Appelbaum, Cowles
Resource Conservation Advisory Board	Morzel (at large seat), Plass
Rocky Flats Stewardship	Morzel, Plass (1st alternate), Castillo (2nd alternate)
University of Colorado (CU)/City Oversight	Cowles, Shoemaker, Weaver
US36 Mayors and Commission Coalition	Appelbaum
US36 Commuting Solutions	Karakehian, Morzel (alternate)
Urban Drainage and Flood Control District	Jones

LOCAL ORGANIZATIONS

Boulder Museum of Contemporary Art (BMoCA)	Young
Boulder Convention and Visitors Bureau	Plass, Cowles (alternate)
Dairy Center for the Arts	Jones
Downtown Business Improvement District Board	Weaver, Young

INTERNAL CITY COMMITTEES

Audit Committee	Cowles, Morzel, Shoemaker
Boards and Commissions Committee	Plass, Shoemaker
Boulder Urban Renewal Authority (BURA) Mayoral Appointment	Karakehian
Charter Committee	Karakehian, Morzel, Weaver
Civic Use Pad/ 9th and Canyon	Karakehian, Morzel, Young
Council Employees Salary Review	Cowles, Shoemaker
Council Retreat Committee	Jones, Morzel
Evaluation Committee	Morzel, Plass
Housing Strategy Process Sub-Committee	Morzel, Shoemaker, Young
Legislative Committee	Jones, Karakehian, Weaver
School Issues Committee	Morzel, Plass, Shoemaker

SISTER CITY REPRESENTATIVES

Jalapa, Nicaragua	Jones
Kisumu, Kenya	Morzel
Llasa, Tibet	Shoemaker
Dushanbe, Tajikistan	Weaver
Yamagata, Japan	Plass
Mante, Mexico	Young
Yateras, Cuba	Karakehian, Cowles (alternate)
Sister City Sub-Committee	Morzel, , Karakehian

	A	B	C	D	E	F
1	**Date**	**Status**	**Topic**		**Location**	**Contacts**
65						
66	9/17/2015	Approved	Resilience Stategy Study Session	6-7 PM	Chambers	Greg Guibert/Laruen Reader
67		Approved	Mobile Home Parks- focused on Policy	7-8:30 PM	Chambers	Jay Sugnet/Edy Urken
68						
69		Approved	Development Fee Study	6-8PM	Chambers	Susan Richstone/Lauren Reader
70	10/13/15	Approved	Boulder Junction Update	8-9 PM	Chambers	David Driskell/Lauren Reader
71						
72		Approved	**Briefing:** Boulder Energy Future	5:30-6 PM	Chambers	Heather Bailey/Heidi Joyce
73	10/27/15	Approved	Human Services Strategy Update	6-7:30 PM	chambers	Karen Rahn
74		Approved	Homelessness	7:30-9 PM	Chambers	Karen Rahn
75						
76	11/12/15	Approved	AMPS Update	6-7:30 PM	Chambers	Molly Winter/Ruth Weiss
77		Approved	Broadband Working Group Status Update	7:30-9 PM	Chambers	Don Ingle
78						
79	11/24/15	Thanksgiving Holiday Week - No Meeting				
80						
81	**12/08/15**	Approved	**Briefing**: East Arapahoe Transportation Corridor Plan and Medical Office Use	5:30-6		Randall Rutsch/Rene Lopez
82		Approved	Utility Rate Study: Preliminary Findings	6-7:30 PM	Chambers	E Ameigh/J Arthur/R Lopez
83		Approved	Hill Reinvestment Strategy Update	7:30-9 PM	Chambers	Molly Winters/Ruth Weiss
84						
85	12/22/15	Christmas Holiday Week - No Meeting				
86	12/29/15	New Years Holiday Week - No Meeting				

September 14, 2015
Start Time: 6:00 PM Executive Session
Council Chambers

September 15, 2015
Start Time: 6:00 PM Business Meeting
Location: Council Chambers, 1777 Broadway

Agenda Section	Item Name	Time	Minutes			Prelim due 9-3; final due 9-9
	US Tennis Assoc award grant for flood restoration	5	Minutes	no	yes	Tina Briggs/Sarah DeSouza
SPECIAL PRESENTATIONS	Recognition of the COB Status as a Playful City	5	Minutes		no	Sarah DeSouza
OPEN COMMENT		45	Minutes			
CONSENT	Minutes	15	Minutes			
	2nd rdg Supplemental App for Open Space and IT				no	Maria Diaz/Elena Lazarevska
	Study Session summary 7/30 Climate Commitment			no	no	Brent KenCairn/Lauren Reader
	747 12th Street, 2nd rdg ord and 3rd rdg ord			yes	no	James Hewat/Lauren Reader
	Resolution to endorse project of Mental Health Center of Boulder			yes	no	David Gehr/Sarah Bennett
PUBLIC HEARINGS			Minutes			
	2nd rdg Ordinance to improve enforcement of Occupancy Requirements	60	Minutes	yes	yes	Tom Carr/Heather Hayward
	Parameters for the emergency ord for issuance of COP for Boulder comm health	30	Minutes	yes	yes	Carr/Hayward
	2nd rdg Ordinance for Short Term Rental Regulations	120	Minutes		yes	Carr/Hayward
MATTERS FROM CITY MANAGER	Nod of 5 for BCH height variance for facility in Riverbend	15	Minutes			
MATTERS FROM CITY ATTORNEY						
MATTERS FROM MEMBERS OF COUNCIL	Mid Year Recruitment Appointments	15	Minutes		yes	Heidi Leatherwood/Dianne Marshall
	Direction on Council representation for Hill Stakeholder Group- sustainable governance and funding options	15	Minutes		yes	Mollly Winters/ Ruth Weiss
CALL-UPS	2440 & 2490 Junction Pl. Site Review & Use Review Planning Board voted 4-2 to approve the Site Review application					Chandler Van Schaack\Lauren Reader
	5530 Spine Rd./Alexan Gunbarrel Apts. Use Review					Chandler Van Schaack\Lauren Reader
	Total Estimated Meeting Time (Hours:Minutes)	5:20				

September 29, 2015
6:00 PM Special Meeting
Council Chambers, 1777 Broadway

Agenda Section	Item Name	Time				Prelim due 9-17; final due 9-23
PUBLIC HEARINGS:	1st rdg Marijuana Code Changes and Policy Issues	120	Minutes	yes	yes	Carr/Hayward
	2nd Rdg Building Peformance	90	Minutes	yes	yes	Kendra Tupper/lauren Reader
	Total Estimated Meeting Time (Hours)	3.50				

October 6, 2015
Start Time: 6:00 PM Business Meeting
Location: Council Chambers, 1777 Broadway

Agenda Section	Item Name	Time	Minutes
SPECIAL PRESENTATIONS	2015 Colorado Companies to Watch	15	Minutes
OPEN COMMENT		45	Minutes
CONSENT	9/17 Mobile Home Parks Study Session Summary	15	Minutes
	20 yr lease for ROW encroachments (foof overhang) for 3075 11th St		
	Study Session Summary from 9/8 2016 Recommended Budget		
	1st rdg ord designate 2322 23rd St as a local historic landmark		
	Naropa's Waiver of the 500 ft rule		
PUBLIC HEARINGS	2016 Budget Hearing 1	60	Minutes
	first reading ordiance Rezone of .8 Acre protion of land located at 385 S Broadway	90	Minutes
	Chautauqua Lease	60	Minutes
	2nd Rdg Annexation Ordinance for 3 properties	45	Minutes
MATTERS FROM CITY MANAGER	Update on Recreational Marijuana Education Program	60	Minutes
	Update on Comparative Site Analysis related to a Potential CU Hotel/Conference Center	30	
MATTERS FROM CITY ATTORNEY			Minutes
MATTERS FROM MEMBERS OF COUNCIL			Minutes
CALL-UPS	Vacation of 364 sq ft portion of a 60ft easement at 3295 Longwood		Minutes
	Total Estimated Meeting Time (Hours:Minutes)	7:00	

October 20, 2015
Start Time: 6:00 PM Business Meeting
Location: Council Chambers, 1777 Broadway

Agenda Section	Item Name	Time	Minutes
SPECIAL PRESENTATIONS	Pearl Street Mall Declaration	10	Minutes
OPEN COMMENT		45	Minutes
CONSENT	Study Session Summary from 8/25: Envision East Araphahoe Trans Analysis and Medical office use-(Rutsch, Sanson, Hirt)	15	Minutes
	2nd rdg of Marijuana policy and code changes		
	2nd Rdg Ordinance re: Property acquisition on 28th from Pearl to Glenwood for Transportation Improvement Project		
	8/25 Study Session summary TMP Implemenation Progress Update		
	"Study Session Summary for 9/17: Resilience Strategy".		
PUBLIC HEARINGS	2016 Budget Hearing 2	60	Minutes
	2nd rdg ord designate 2322 23rd St as a local historic landmark	30	minutes
	Mobile Homes regarding Ponderosa issue: Spanish Translator needed	90	
MATTERS FROM CITY MANAGER	Update on Living Lab Phase II	45	Minutes
MATTERS FROM CITY ATTORNEY			Minutes
MATTERS FROM MEMBERS OF COUNCIL			Minutes
CALL-UPS	Recommendation to Name the park at the Former Washington School Site and install sign		Minutes
	Total Estimated Meeting Time (Hours:Minutes)	4:55	

November 3, 2015 - ELECTION DAY - No Meeting

November 10, 2015 -
6:00 PM Business Meeting
Council Chambers, 1777 Broadway

	Open Forum for Nominations for Mayor and Mayor Pro Tem 5-6 PM		
Agenda Section	Item Name	Time	Minutes
SPECIAL PRESENTATIONS			Minutes
OPEN COMMENT		45	Minutes
CONSENT	Study Session Summary for July 28 30th and Pearl City-owned Site Options (from 8/18)	15	Minutes
	Study Session Summary- Boulder Junction Update		
PUBLIC HEARINGS			Minutes
	Boulder Civic Area Phase I Park Development Community Env. Assessment	60	Minutes
	2nd Rdg ordinance ReZone of .8 acre protion of land located at 385 south Broadway	90	Minutes
	Community Cultural Plan	60	Minutes
MATTERS FROM CITY MANAGER			Minutes
MATTERS FROM CITY ATTORNEY			Minutes
MATTERS FROM MEMBERS OF COUNCIL			Minutes
CALL-UPS			Minutes
	Total Estimated Meeting Time (Hours:Minutes)	4:30	

November 17, 2015- Swear in New Council Members
10 AM

November 17, 2015- 1st meeting of New Council
6:00 PM Business Meeting
Council Chambers, 1777 Broadway

Agenda Section	Item Name	Time	Minutes
Council- Mayor/Mayor Pro Tem Election	Council Election of Mayor and Mayor Pro Tem	30	Minutes
SPECIAL PRESENTATIONS			Minutes
OPEN COMMENT		45	Minutes
CONSENT	Second Budget Supplemental First Reading	15	Minutes
	Study Session Summary re: Services Strategy Update 10/27/15		
	Study Session Summary re: Homelessness Update4 10/27/15		
	1st rdg Form based code		
PUBLIC HEARINGS			Minutes
			Minutes
MATTERS FROM CITY MANAGER	Motion to Accept 2016 HSF Recommendations	30	Minutes
	2015 State and Fed legislative Agenda Description	40	minutes
MATTERS FROM CITY ATTORNEY			Minutes
MATTERS FROM MEMBERS OF COUNCIL			Minutes
CALL-UPS			Minutes
	Total Estimated Meeting Time (Hours:Minutes)	2:10	

TO: Members of City Council

FROM: Danielle Sears, City Clerk's Office

DATE: September 15, 2015

SUBJECT: Information Packet

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1. **CALL UPS**
   A. 2440 and2490 Junction Place (The Commons)

2. **INFORMATION ITEMS**
   A. Flood Recovery Status
   B. Multi-Hazard Mitigation Plan Annual Review
   The packet will be updated when this item is available.
   C. Organizational Assessment Update
   D. Snow and Ice Control Program and Sidewalk Snow Removal Enforcement

3. **BOARDS & COMMISSIONS**
   A. Environmental Advisory Board—August 5, 2015
   B. Library Commission—June 3, 2015
   C. Library Commission—July 11, 2015

4. **DECLARATIONS**
   A. Cities and Towns Declaration

INFORMATION PACKET
MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager
David Driskell, Executive Director of Community Planning + Sustainability
Susan Richstone, Deputy Director of Community Planning + Sustainability
Charles Ferro, Development Review Manager
Chandler Van Schaack, Planner II

Date: September 15, 2015

Subject: Call-Up Item: 2440 and 2490 Junction Place (The Commons). Request for redevelopment of an approximately 1.34-acre site located at 2440 and 2490 Junction Place within Boulder Junction. Referred to as "The Commons," the proposed commercial development would consist of two, 3-4 story, 55' tall buildings totalling roughly 100,000 sq. ft. that would include professional office space, restaurant and coffee shop space and "flex" space intended as community gathering space. The proposal also includes 56 underground parking spaces, a proposed "mobility hub" that includes a car share program and B-Cycle Station, a central public plaza area and multiple multi-modal connections through the site. The subject project includes an application for Site Review (LUR2015-00048) and an application for Use Review (LUR2015-00065) which is required for the proposed restaurant over 1,500 sq. ft. in size.

EXECUTIVE SUMMARY

On Aug. 20, 2015, the Planning Board voted 4-2 (**L. May** and **L. Payton** opposed; **C. Gray** absent) to approve Site Review application LUR2015-00048 and Use Review application LUR2014-00065 to allow for the redevelopment of an approximately 1.34-acre site located at 2440 and 2490 Junction Place with two, 4 story, 55' tall buildings totalling roughly 100,000 sq. ft. that would include professional office space, restaurant and coffee shop space and "flex" space intended as community gathering space. **Attachment A** contains the Planning Board Notice of Disposition with associated conditions of approval and management plan for the restaurant use. **Attachment B** contains the approved plans associated with the Site and Use Review and **Attachment C** includes staff's analysis of the Site Review, Use Review and parking reduction criteria.

The staff memorandum to Planning Board, its attachments, audio from the meeting and other related background materials are available on the city website at this web link (click on *'2015'* → *'08 AUG'* → *'08.20.2015'*)

Planning Board's decision is subject to call-up of City Council within a 30-day period. There is one City Council meeting within this time period for call-up consideration on Sept. 15, 2015.

Existing Site/Site Context

As shown in **Figure 1,** the 1.33-acre project site is located on the east side of the Steel Yards development, abutting the Burlington Northern and Santa Fe Rail Line just south of the intersection of Junction Pl. and Bluff St. The project site lies within Boulder Junction, and is overseen by the vision, goals and guidelines of the Transit Village Area Plan (TVAP).

The site is comprised of of the two remaining undeveloped lots in the Steel Yards Subdivision. Surrounding uses include the new Nickel Flats residential building immediately across Junction Pl. and the mixed residential and live-work Steelyards development further to the west; the former Sutherlands site (currently under review for the S'PARK development) immediately to the north and mixed office and light industrial uses to the east across the railroad tracks. The Goose Creek Greenway runs just south of the site, with the mixed use Depot Square development and residential Solana development abutting the west side of the railroad tracks further to the south. The site is located in the northern portion of Boulder Junction. The Boulder Junction area is guided by the Transit Village Area Plan and is anticipated to redevelop as several new urban, mixed-use, transit-oriented neighborhoods.

Figure 1: Subject Property in relation to nearby TVAP projects

Redevelopment within Boulder Junction began in 2012 with the Solana Apartments, which include 319 units nearing completion. Currently under construction across Pearl Parkway from 3100 Pearl is Depot Square, a mixed use development that includes a below grade bus transit facility, a 150-room Hyatt Hotel, an above grade, wrapped parking structure and 71 permanently affordable, attached residential units. Also nearing completion is the restoration of the historic depot building on the site that will include a public plaza space along with roadway improvements such as the construction of Junction Place, a new north-south roadway along with a new bridge over Goose Creek and implementation of a multi-way boulevard on Pearl Parkway.

To the west of the site is the Steelyards, a mixed use development with residential and live-work units along with retail and offices. Directly north of the project site is the former Sutherland Lumber Supply Co. site, which includes large vacant warehouse buildings and a branch of Air Gas

Co., a supplier of industrial, medical and specialty gas and accessories, safety products and welding supplies. The former Sutherland site is currently under Site and Use Review for a mixed use development known as "S'PARK," which is proposed as a 10.5 acre mixed use and mixed-income neighborhood.

Background

A Concept Plan for the proposal was heard by the Planning Board on April 2, 2015. Overall, the board found the proposal to be consistent with the vision and goals of the Transit Village Area Plan (TVAP), and also expressed support for the project's proposed sustainability and building efficiency features. The board made some recommendations for site and building improvements and parking management strategies and also suggested potentially adding residential units to the project based on an analysis of the overall balance of residential and commercial space within the Transit Village as a whole. Additional considerations discussed by the board included increasing the amount of landscaping within the project, enlivening the eastern façade along the multi-use path, and creating more of an open space amenity on the north side of the northern building. The staff memorandum to Planning Board, minutes, meeting audio, and other related background materials are on the city website for Planning Board, available here (Follow the links: *2015 ➔04 APR ➔04.02.2015 PB Packet).* The proposal was also heard by the Boulder Design Advisory Board (BDAB) on July 15, 2015. The packet and audio from that meeting can be found online here (Follow the links: 2015 ➔ *07 JUL* ➔ *7.15.15)*

Project Description

The current proposal consists of two commercial buildings on the remaining two vacant lots in the Steel Yards development to the east of Junction Place. The northern building is 59,998 sq. ft. in size and consists of a roughly "H" shaped design that steps down the massing from four stories along the rail road (east) side of the site to three stories along the Junction Pl. frontage to the west. The southern building totals 40,230 sq. ft. in size, and incorporates a similar stepped design that places a four-story building element along the railroad tracks which steps down to three stories along Junction Pl. Both buildings are proposed to be 4 stories and 55 feet tall. Per the applicants plans and written statement, the buildings are proposed to be very energy efficient and in excess of the city's already stringent building energy code requirements.

Both buildings incorporate a 10-foot setback along Junction Pl., with the ground level frontages consisting primarily of brick storefronts with metal and wood elements. The north and south elevations of each building consist primarily of metal paneling with high-pressure laminate and wood siding. As will be discussed in further detail below, the eastern facades along the railroad tracks will consist almost entirely of integrated solar panels. Please refer to **Attachment B** for the Applicant's Proposed Plans and Management Plan.

The project provides a total of nearly 20,000 sq. ft. of open space (nearly 33% of the site area where 20% is the minimum required per the MU-4 zone standards) through a variety of site design features. The main open space feature is a large public plaza in the center of the site, which provides access to the main building entries for the office tenants and community room/ flex space, and includes a multi-use path connection between Junction Pl. and multi-use path along the railroad to the east. The scale of the plaza is broken down through the incorporation of sculptural artwork, landscape elements, patterned paving, trellised seating areas and architectural lighting, and recessed building corners on either side of the plaza entry help to create more intimate pocket plazas around the coffee shop patio and pedestrian garage entry.

In terms of land uses, the majority of the floor area is to be programmed as office space; however, the applicant also intends to incorporate a variety of community based elements including a "mobility hub," a gallery that can also function as a community room, a private "coffee club" meeting area, a planned coffee shop on the south side of the central plaza and a restaurant with an outdoor patio area facing the Goose Creek path to the south of the site.

It should also be noted that on March 31, 2015, City Council approved a height ordinance that establishes a two-year period during which modifications to the by-right height for new buildings will only be considered through the Site Review process in specific parts of the city where area planning has already occurred or in other particular circumstances where grade or natural features would impact height calculations. The Boulder Junction area was included in the areas of exemption based on the fact that the vision for area includes a dense, mixed used, transit oriented development.

ANALYSIS

The following key issues were identified for the project:

1. **Is the proposed project consistent with the Transit Village Area Plan (TVAP)?**
2. **Does the proposal meet Site Review Criteria, including BVCP policies?**
3. **Does the proposed restaurant meet Use Review Criteria found in section 9-2-15(e), B.R.C. 1981?**

Consistency with TVAP:

In keeping with the Concept Plan Review, overall the project has remained consistent with TVAP, especially in terms of building mass and scale, provision of required multi-use path connections, high quality open space features and activation of the Junction Place streetscape at the pedestrian level. The TVAP land use designation for the site is MU-2 or Mixed Use -2, which anticipates three- to four-story mixed use buildings at a FAR of 1.5 to 2.0. In addition, the intent described in TVAP for the "Rail Plaza District" in which the project site is located is for the district to "*evolve into a high-density, commercial and residential mixed use area, with three- to five-story buildings.*" Because of the level of intensity anticipated to help support and enliven the rail plaza, overall the Planning Board found the planned mass and scale to be consistent with TVAP. The current proposal also includes construction of both a 12' wide multi-use path along the west side of the tracks to access the rail platform as well as a connecting E-W multi-use path generally along the lot line between the two parcels, as required by the TVAP connections plan. The proposal is also consistent with the Streetscape Guidelines in TVAP, which illustrate the anticipated layout of Junction Place from the Bus Facility in Depot Square to Bluff Street. For staff's complete analysis of the project's consistency with TVAP, please see pages 10-13 of the staff memorandum to the Planning Board at the web link noted above.

Site Review:

Overall, the proposed project has been found to be an innovative project that sensitively utilizes an existing infill site to provide a high quality urban space which furthers the design and land use goals of TVAP while potentially serving as a flagship project in terms of environmentally sustainable building design. As a whole, the current proposal meets the Site Review criteria as set forth in section 9-2-14, B.R.C. 1981, including, on balance, the policies of the Boulder Valley

Comprehensive Plan (BVCP). Please refer to **Attachment C** for staff's complete analysis of the review criteria.

Use Review

The proposed restaurant use has been found to meet the Use Review criteria found in section 9-2-15(e), B.R.C. 1981. Specifically, the proposed restaurant would provide a direct service to the surrounding uses by offering an eating establishment within walking distance of the proposed office uses as well as the existing Steel Yards residential uses. The location, design and operating characteristics of the proposed use are such that the use will be reasonably compatible with and have minimal negative impact on the use of nearby properties, and the use is in keeping with the predominant character of the surrounding area as established by TVAP. Staff's analysis of the Use Review criteria is also included as **Attachment C**. Staff's original recommended conditions of approval were based on the operating characteristics requested by the applicant in their application submittal, which included hours of operation from 11:00 am to 2:00 am seven days per week and did not include any additional specific limits on patio usage. In response to a request by the applicant, the Planning Board amended the hours of operation included in the conditions of approval to allow for the restaurant to operate from 6:00 am to 2:00 am, seven days per week; however, after discussing potential noise impacts associated with the outdoor patio, the board also added a condition requiring that patio service and outdoor entertainment cease no later than 11:00 pm seven days per week.

Planning Board Action

As a part of their deliberations the board made some minor adjustments to the conditions of approval regarding the hours of operation for the restaurants as well as the building materials.

The board also discussed two potential conditions of approval regarding building energy efficiency. One condition of approval would have required LEED Platinum Certification and the other would have required that the buildings be constructed to be net zero. The applicant was comfortable with both proposed conditions. There was not alignment around either proposed condition. A few board members felt that the project should be required to meet net zero status and to submit annual reports regarding energy usage and on-going building performance. Other board members felt that it would be more appropriate from an implementation perspective to require a list of very specific building requirements (including on-site renewable, a variable refrigerant mechanical system, high performance glazing). They also felt that requiring the project to achieve a net zero status was too restrictive and that implementing such a requirement would preclude future projects from including innovative sustainability measures.

Ultimately, on a motion by J. Putnam, seconded by B. Bowen, the Planning Board voted 4-2 (L. May and L. Payton opposed; C. Gray absent) to approve the Site Review application LUR2015-00048 and Use Review application LUR2014-00065, adopting the staff memorandum as findings of fact, including the attached analysis of review criteria, and subject to the recommended conditions of approval with the six amendments listed in the attached Notice of Disposition. L. May moved to amend the main motion to add the following as an additional condition of approval. The motion to amend was seconded by L. Payton, but failed on a 3-3 vote (A. Brockett, J. Putnam and B. Bowen opposed)

> *A new Condition 10 shall be added to the Conditions of Site Review Approval to read: Prior to issuance of a building permit, the Applicant shall submit plans, subject to review*

and approval by the city manager, that demonstrate that the total amount of energy used by each principal building, excluding the energy used by one restaurant use and any electric vehicle use in the buildings, on an annual basis, based on the anticipated users of each building, is roughly equal to the amount of renewable energy created on site.

Following the board's vote, the applicant addressed the board to request that the board retract their votes and that the proposed "Net Zero Condition" which had previously failed, be re-added to the conditions of approval so that the board could unanimously re-vote to approve the project. After deliberation between the board and staff, it was determined that retracting the previous vote and holding a new vote on the application would not be supportable due to the requirement that such action be based on criteria-based findings. The board then explored passing a resolution or supplemental motion to add the condition as requested by the applicant; however, it was determined that neither path was feasible so the original vote by the board stood. For additional details, please refer to the draft Planning Board minutes included as **Attachment D**.

The Planning Board decision is subject to City Council call-up within 30-days. There is one City Council meeting within this time period for call-up consideration on Sept. 15, 2015.

ATTACHMENTS:

A. Planning Board Notice of Disposition dated Aug. 20, 2015 (includes management plan)
B. Project plans dated July 16, 2015
C. Staff's Analysis of Review Criteria
D. Draft 8.20.2015 Planning Board Minutes

CITY OF BOULDER
Community Planning & Sustainability
1739 Broadway, Third Floor • P.O. Box 791, Boulder, CO 80306-0791
phone 303-441-1880 • fax 303-441-3241 • web www.bouldercolorado.gov

CITY OF BOULDER PLANNING BOARD
NOTICE OF DISPOSITION

You are hereby advised that on August 20, 2015 the following action was taken by the Planning Board based on the standards and criteria of the Land Use Regulations as set forth in Chapter 9-2, B.R.C. 1981, as applied to the proposed development.

DECISION:	**APPROVED WITH CONDITIONS**
PROJECT NAME:	**THE COMMONS**
DESCRIPTION:	**Site Review Amendment and Use Review for redevelopment of parcels at 2440 & 2490 Junction Place within the Steel Yards development with two new commercial buildings: the northern building is 59,998 square feet in size and the southern building is 40,230 square feet in size. The Site Review Amendment is for Site Review approval #SI-98-5. The Use Review is for a 1,759 square foot restaurant located in the southern building.**
LOCATION:	**2440 JUNCTION PL AND 2490 JUNCTION PLACE**
COOR:	**N04W03**
LEGAL DESCRIPTION:	**Lots 1 and 2, Block 9, STEEL YARDS** **City of Boulder, County of Boulder, State of Colorado**
APPLICANT:	**COBURN DEVELOPMENT**
OWNER:	**2440 JUNCTION PLACE, LLC and 2490 JUNCTION PLACE, LLC**
APPLICATION:	**Site Review: LUR2015-00048 & Use Review: LUR2015-00065**
ZONING:	**MU-4**
CASE MANAGER:	**Chandler Van Schaack**

VESTED PROPERTY RIGHT: **NO; the owner has waived the opportunity to create such right under Section 9-2-19, B.R.C. 1981.**

APPROVED MODIFICATIONS FROM THE LAND USE REGULATIONS:

- Minimum front yard setback from a street for 3rd story & above: 10-foot setback for the first three stories of both buildings where 20 feet is the minimum required setback.
- Maximum number of stories: For buildings up to four stories in height where three stories is the maximum number of stories permitted.
- Maximum principal building height: For two buildings to reach a height of 55 feet where 38 feet is the maximum permitted height.
- Maximum floor area of any principal building: To allow for the northern building to be 59,998 square feet in size and the southern building to be 40,230 square feet in size where 15,000 square feet is the maximum floor area for a principal building.

This decision may be called up before the City Council on or before **September 21, 2015**. If no call-up occurs, the decision is deemed final September 22, 2015.

FOR CONDITIONS OF APPROVAL, SEE THE FOLLOWING PAGES OF THIS DISPOSITION.

IN ORDER FOR A BUILDING PERMIT APPLICATION TO BE PROCESSED FOR THIS PROJECT, A SIGNED DEVELOPMENT AGREEMENT AND SIGNED FINAL PLANS MUST BE SUBMITTED TO THE PLANNING DEPARTMENT WITH DISPOSITION CONDITIONS AS APPROVED SHOWN ON THE FINAL PLANS, IF THE DEVELOPMENT AGREEMENT IS NOT SIGNED WITHIN NINETY (90) DAYS OF THE FINAL DECISION DATE, THE PLANNING BOARD APPROVAL AUTOMATICALLY EXPIRES.

Pursuant to Section 9-2-12 of the Land Use Regulations (Boulder Revised Code, 1981), the applicant must begin and substantially complete the approved development within three years from the date of final approval. Failure to "substantially complete" (as defined in Section 9-2-12, Boulder Revised Code 1981) the development within three years shall cause this development approval to expire.

At its public hearing on August 20, 2015 the Planning Board APPROVED the request with the following motion:

On a motion by **J. Putnam**, seconded by **B. Bowen**, the Planning Board voted 4-2 (**L. May** and **L. Payton** opposed; **C. Gray** absent) to approve the Site Review application LUR2015-00048 and Use Review application LUR2014-00065, adopting the staff memorandum as findings of fact, including the attached analysis of review criteria, and subject to the recommended conditions of approval with the following amendments:

(1) Condition 3 of the Conditions of Site Review Approval shall be revised to read: Prior to a building permit application, as part of Technical Document Review applications, the Applicant shall provide to the City a Memorandum of Understanding with the Burlington Northern Santa Fe (BNSF) Railway evidencing agreement, in a form approved by the city manager, with BNSF that BNSF will existinguish a 16-foot wide portion of the 25-wide Railroad Easement recorded in the Records of the Boulder County Clerk and Recorder on Film 1598 at Reception No. 1007999 to allow for dedication and use of a 16-foot wide multi-use path easement. Prior to building permit issuance the Applicant shall provide to the City documentation, in a form acceptable to the city manager, extinguishing said 16-foot wide portion of the 25-foot wide Railroad Easement. The document extinguishing the 16-foot wide easement area shall be recorded with the Boulder County Clerk and Recorder's Office prior to approval of a building permit application.

(2) Condition 8 of the Conditions of Site Review Approval shall be revised to read: Prior to issuance of a certificate of occupancy, the Applicant shall construct, remove, or reconstruct the public improvements as described below, subject to acceptance by the City, in conformance with the approved plans and with the City of Boulder Design and Construction Standards and provide a financial guarantee, as required under section 9-2-20, B.R.C. 1981 and in a form acceptable to the Director of Public Works, for the public improvements described below:

a. Construct a north/south **12-foot wide multi-use path along the east property line.**

b. Construct an east/west **12-foot wide multi-use path through the plaza area using stone accent paving bands, decorative pavers, colored concrete, or other similar material as approved by staff.**

c. Remove and reconstruct an east/west **12-foot multi-use path south of the Property** to provide a pavement section that can support a 14-ton truck and include a two-foot wide colored concrete shoulder.

d. Remove the existing diagonal parking and curb-and-gutter north of the Property in the Junction Place right-of-way and replace it with **new curb-and-gutter and parallel parking.**

e. Construct **parallel parking, a landscape strip, and a 10-foot wide sidewalk along Junction Place** adjacent to the Property.

(3) Condition 9 of the Conditions of Site Review Approval shall be revised to read: The Applicant shall provide the TDM elements described in Table 2 of the TDM Plan (except for the EcoPasses and subsidized bike-share and car-share membership which will be provided by the Boulder Junction General Improvement District), except as amended by these conditions of approval, including but not limited to the following: 20 short-term bicycle parking spaces; 65 long-term bicycle parking spaces along with a security camera monitoring in the parking garage; a B-Cycle station or similar bike program with a minimum of twenty-five shared bikes; a minimum of 6 car-pool and car-share spaces, split between the two as appropriate based on need; and changing facilities on first level of both buildings; the owner of the buildings shall not prevent tenants and their guests to bring bikes into the tenant spaces.

(4) A new Condition 10 shall be added to the Conditions of Site Review Approval to read: As part of a building permit application, the Applicant shall submit plans showing and the project shall be constructed and operated consistent with the following:

a. A solar wall on the east façades with square footage of solar panels shown on the approved plans dated July 16, 2015. The square footage of solar panels may not be reduced by more than five percent.
b. Roof top solar shall cover all substantial roof surfaces that may reasonably practicably be used for solar panels and that are not used for decks or needed for circulation and maintenance of the panels and associated equipment.
c. A variable refrigerant mechanical system.
d. No less than ninety percent of lighting shall be LED lighting or of energy efficiency greater than LED lighting.
e. All windows shall be high performance windows with the following glazing specifications or specifications that perform substantially similar to or better than: Solarban 70XL Clear; ¼-inch thick clear exterior lite, ½-inch thick argon-filled space, ¼ inch thick clear interior lite.
f. Nominal roof insulation value shall be at least R-25.
g. Nominal wall insulation value shall be at least R-12.
h. All paints applied shall be low V.O.C.paints.
i. All carpets shall be low V.O.C. carpets.

(5) A new Condition 1.d shall be added to the Conditions of Use Review Approval to read: Outdoor patio service shall cease no later than 11:00 p.m. and no outdoor music or entertainment shall be provided after 11:00 p.m. seven days per week.

(6) Condition 1.b of the Conditions of Use Review Approval shall be revised to read: The approved use shall be closed from 2:00 a.m. to 6:00 a.m. seven days per week.

L. May moved to amend the main motion to add the following as an additional condition of approval. The motion to amend was seconded by **L. Payton**, but failed on a 3-3 vote (**A. Brockett, J. Putnam** and **B. Bowen** opposed):

A new Condition 10 shall be added to the Conditions of Site Review Approval to read: Prior to issuance of a building permit, the Applicant shall submit plans, subject to review and approval by the city manager, that demonstrate that the **total amount of energy used by each principal building, excluding the energy used by one restaurant use and any electric vehicle use in the buildings, on an annual basis, based on the anticipated users of each building, is roughly equal to the amount of renewable energy created** on site.

CONDITIONS OF SITE REVIEW APPROVAL

1. The Applicant shall ensure that the **development shall be in compliance with all plans prepared by the Applicant** on July 16, 2015 on file in the City of Boulder Planning Department, except to the extent that the development may be modified by the conditions of this approval.

2. The Applicant shall **comply with all previous conditions** contained in any previous approvals, except to the extent that any previous conditions may be modified by this approval, including, but not limited to, the following: the Development Agreement recorded at Reception No. 1960064 on July 14, 1999 and Subdivision Agreement recorded at Reception No. 2064118 on July 26, 2000 in the records of the Boulder County Clerk and Recorder.

3. Prior to a building permit application, as part of Technical Document Review applications, the Applicant shall provide to the City a **Memorandum of Understanding with the Burlington Northern Santa Fe (BNSF) Railway** evidencing agreement, in a form approved by the city manager, with BNSF that BNSF will extinguish a 16-foot wide portion of the 25-wide Railroad Easement recorded in the Records of the Boulder County Clerk and Recorder on Film 1598 at Reception No. 1007999 to allow for dedication and use of a 16-foot wide multi-use path easement. Prior to building permit issuance the Applicant shall provide to the City documentation, in a form acceptable to the city manager, extinguishing said 16-foot wide portion of the 25-foot wide Railroad Easement. The document extinguishing the 16-foot wide easement area shall be recorded with the Boulder County Clerk and Recorder's Office prior to approval of a building permit application.

4. Prior to building permit application, as part of Technical Document Review applications, the Applicant shall dedicate to the City, at no cost, the following easements, as shown on the approved plans, meeting the City of Boulder Design and Construction Standards, , the form and final location of which shall be subject to the approval of the City Manager:

   a. A **ten-foot wide utility and public access easement** for the Junction Place utilities and sidewalk along the west property lines of both Lot 1 and Lot 2, Block 9, Steel Yards Subdivision.

   b. A **sixteen-foot wide public access easement** for the east/west 12-foot wide multi-use path through the Plaza Area along the property line between Lot 1 and Lot 2, Block 9, Steel Yards Subdivision.

   c. A **sixteen-foot wide drainage and public access easement** for the north/south multi-use path along the east property lines of both Lot 1 and Lot 2, Block 9, Steel Yards Subdivision.

   d. A **thirteen-foot wide drainage easement** along the north property line of Lot 1, Block 9, Steel Yards Subdivision.

5. Prior to a building permit application, the Applicant shall provide to the City written documentation, in a form acceptable to the City, from the PUBLIC SERVICE CO. OF COLORADO ("PSCO") demonstrating **extinguishment of an easement identified as No. 14 on the PUBLIC SERVICE COMPANY OF COLORADO EASEMENT** recorded at Reception No. 2484658 on August 7, 2003 in the records of the Boulder County Clerk and Recorder which runs north/south through the center of both Lot 1 and Lot 2, Block 9, Steel Yards Subdivision. The extinguishment of the PSCO easement shall be recorded in the Records of the Boulder County Clerk and Recorder prior to a building permit application.

6. Prior to a building permit application, the Applicant shall submit an Administrative Review application, subject to the approval of the City Manager, to vacate the **drainage easement** dedicated to the City on the Steel Yards Subdivision plat along the south property line of Lot 2, Block 9, Steel Yards Subdivision and the west side of the 25-foot Railroad Easement located along the east property lines of both Lot 2 and Lot 1, Block 9, Steel Yards Subdivision.

7. Prior to a building permit application, the Applicant shall submit a Technical Document Review application for the following items, subject to the approval of the City Manager:

   a. **Final architectural plans,** including material samples and colors, to insure compliance with the intent of this approval and compatibility with the surrounding area. The architectural intent shown on the approved plans dated July 16, 2015 is acceptable. The final architectural plans shall show the transformer boxes currently shown at the south end of the northern building relocated to a

less visible location or architecturally integrated into a building or other site feature. The final architectural plans shall also show the TDM elements described in Condition No. 9 below. Planning staff will review plans to assure that the architectural intent is performed.

b. A **final site plan** which includes detailed floor plans and section drawings.

c. A **final utility plan** meeting the City of Boulder Design and Construction Standards.

d. A **final storm water report and plan** meeting the City of Boulder Design and Construction Standards.

e. **Final transportation plans** meeting the City of Boulder Design and Construction Standards and the Boulder Greenways Design Guidelines for all transportation improvements. The Final transportation plans must include, but are not limited to: multi-use path plan and profile drawings, Junction Place plan drawings, street cross-sectional drawings, signage and striping plans in conformance with Manual on Uniform Traffic Control Devices (MUTCD) standards, transportation detail drawings, geotechnical soils report, and pavement analysis.

f. A **detailed landscape plan,** including size, quantity, and type of plants existing and proposed; type and quality of non-living landscaping materials; any site grading proposed; and any irrigation system proposed, to insure compliance with this approval and the City's landscaping requirements. Removal of trees must receive prior approval of the Planning Department. Removal of any tree in City right of way must also receive prior approval of the City Forester.

g. A **detailed outdoor lighting plan** showing location, size, and intensity of illumination units, indicating compliance with section 9-9-16, B.R.C.1981.

h. A **detailed shadow analysis** to insure compliance with the City's solar access requirements of section 9-9-17, B.R.C. 1981.

8. Prior to issuance of a certificate of occupancy, the Applicant shall construct, remove, or reconstruct the public improvements as described below, subject to acceptance by the City, in conformance with the approved plans and with the City of Boulder Design and Construction Standards and provide a financial guarantee, as required under section 9-2-20, B.R.C. 1981 and in a form acceptable to the Director of Public Works, for the public improvements described below:

   a. Construct a north/south **12-foot wide multi-use path along the east property line**.

   b. Construct an east/west **12-foot wide multi-use path through the plaza area using stone accent paving bands, decorative pavers, colored concrete, or other similar material as approved by staff**.

   c. Remove and reconstruct an east/west **12-foot multi-use path south of the Property** to provide a pavement section that can support a 14-ton truck and include a two-foot wide colored concrete shoulder.

   d. Remove the existing diagonal parking and curb-and-gutter north of the Property in the Junction Place right-of-way and replace it with **new curb-and-gutter and parallel parking**.

   e. Construct **parallel parking, a landscape strip, and a 10-foot wide sidewalk along Junction Place** adjacent to the Property.

9. **The Applicant shall provide the TDM elements described in Table 2 of the TDM Plan** (except for the EcoPasses and subsidized bike-share and car-share membership which will be provided by the Boulder Junction General Improvement District), except as amended by these conditions of approval, including but not limited to the following: 20 short-term bicycle parking spaces; 65 long-term bicycle

parking spaces along with a security camera monitoring in the parking garage; a B-Cycle station or similar bike program with a minimum of twenty-five shared bikes; a minimum of 6 car-pool and car-share spaces, split between the two as appropriate based on need; and changing facilities on first level of both buildings; the owner of the buildings shall not prevent tenants and their guests to bring bikes into the tenant spaces.

10. As part of a building permit application, the Applicant shall **submit plans** showing and the project shall be constructed and operated consistent with the following:

    a. A solar wall on the east façades with square footage of solar panels shown on the approved plans dated July 16, 2015. The square footage of solar panels may not be reduced by more than five percent.

    b. Roof top solar shall cover all substantial roof surfaces that may reasonably practicably be used for solar panels and that are not used for decks or needed for circulation and maintenance of the panels and associated equipment.

    c. A variable refrigerant mechanical system.

    d. No less than ninety percent of lighting shall be LED lighting or of energy efficiency greater than LED lighting.

    e. All windows shall be high performance windows with the following glazing specifications or specifications that perform substantially similar to or better than: Solarban 70XL Clear; ¼-inch thick clear exterior lite, ½-inch thick argon-filled space, ¼ inch thick clear interior lite.

    f. Nominal roof insulation value shall be at least R-25.

    g. Nominal wall insulation value shall be at least R-12.

    h. All paints applied shall be low V.O.C.paints.

    i. All carpets shall be low V.O.C. carpets.

CONDITIONS OF USE REVIEW APPROVAL

1. The Applicant shall ensure that the **development shall be in compliance with all plans prepared by the Applicant on July 16, 2015** and the Applicant's written statement dated July 24, 2015 on file in the City of Boulder Planning Department, except to the extent that the development may be modified by the conditions of this approval. Further, the Applicant shall ensure that the approved use is operated in compliance with the following restrictions:

    a. The Applicant shall operate the business in accordance with the management plan dated June 15, 2015 which is attached to this Notice of Disposition.

    b. The approved use shall be closed from 2:00 a.m. to 6:00 a.m. seven days per week.

    c. Size of the approved use shall be limited to 1,759 square feet. The total number of indoor seats for the approved use shall not exceed the lesser of 85 seats or the maximum occupant load per IBC section 1004. The patio area will not exceed 900 square feet. All trash located within the outdoor dining area, on the restaurant property, and adjacent streets, sidewalks and properties shall be picked up and properly disposed of immediately after closing.

d. Outdoor patio service shall cease no later than 11:00 p.m. and no outdoor music or entertainment shall be provided after 11:00 p.m. seven days per week.

2. The Applicant **shall not expand or modify the approved use**, except pursuant to subsection 9-2-15(h), B.R.C. 1981.

By:_____
Driskell, Secretary of the Planning Board

Due to file size, Attachment B can be viewed in the City Council's office in the City Manager's office.

Criteria for Review: No site review application shall be approved unless the approving agency finds that:

(1) Boulder Valley Comprehensive Plan:

(A) The proposed site plan is consistent with the land use map and the service area map and, on balance, the policies of the Boulder Valley Comprehensive Plan.

Pages 67 to 69 of the BVCP describe the purpose of Area Plans as a means to provide direction for specific geographic areas, and bridge the gap between the broad policies of the Comprehensive Plan and site specific project review. The Comprehensive Plan notes that issues that Area Plans address include appropriate character, scale and mix of uses and if regulatory changes are needed to ensure or encourage appropriate development. The Transit Village Area Plan (TVAP) is one among four adopted area plans within the Comprehensive Plan with the stated purpose of the being:

> *"To describe the city's vision for the future of the 160-acre Transit Village area and guide the long term development of the area. The area is defined as within walking distance to the future FasTracks transit services – commuter rail, bus rapid transit, and regional bus services."*

Transit Village Area Plan (TVAP): The area overseen by the TVAP was renamed Boulder Junction, in reference to the area from decades ago as the junction of two major rail lines. Within TVAP, the land use designation for the site is MU-2 or Mixed Use -2, which anticipates three- to four-story mixed use buildings at a FAR of 1.5 to 2.0. As discussed in the attached staff memorandum, the proposed 3-4 story buildings with a total FAR of 1.71 are consistent with the intent of the MU-2 land use designation set forth in TVAP.

In addition, the proposed project is consistent with a number of BVXCP Policies, including:

- 2.01 Unique Community Identity
  - *By meeting the goals of TVAP, the project will further the unique community identity and sense of place anticipated therein.*
- 2.03 Compact Development Pattern
  - *The proposed project utilizes an infill site that is part of a planned redevelopment area regulated through TVAP.*
- 2.09 Neighborhoods as Building Blocks
  - *As a mixed use commercial area, the proposed project offers unique physical elements of neighborhood character and identity, and compliments the existing Steel Yards neighborhood to the west as well as the new Boulder Junction area developing to the south.*
- 2.14 Mix of Complementary Land Uses
  - *The proposed development adds significant commercial square footage to a mixed-use area that is anticipated to develop further with additional residential and non-residential uses.*
- 2.17 Variety of Activity Centers
  - *The proposed development helps to achieve the desired land use pattern set forth in TVAP, and as such helps move the TVAP area closer to becoming the transit-oriented urban city center it is intended to become.*
- 2.22 Improve Mobility Grid

  - *The project incorporates required multi-use path connections to improve accessibility within and around the site, and also includes completion of the east side of Junction Pl. in accordance with TVAP.*
- 2.30 Sensitive Infill and Redevelopment
  - *The project sensitively utilizes an urban infill site to create a project that fully meets the intent of TVAP in terms of both land use and design quality.*
- 2.32 Physical Design for People
  - *The project provides coordinated facilities for pedestrians and bicyclists, provides functional landscaping and open space, and is designed at an appropriate scale for nearby buildings.*
- 2.37 Enhanced Design for Private Sector Projects
  - *The project is compatible with the existing context of the area as well as the context set forth in TVAP. The project provides a number of features which will enhance the public realm, including open space and transportation connections, and is designed at a human scale with both permeability and visual interest in mind.*
- 4.05 Energy-Efficient Building Design
  - *The proposed project is striving to meet or exceed a LEED Platinum rating, and incorporate numerous state-of-the-art design features intended to improve the building's efficiency and generate as close to a net zero development as possible. These features are discussed further in the staff memorandum.*

(B) The proposed development shall not exceed the maximum density associated with the Boulder Valley Comprehensive Plan residential land use designation. Additionally, if the density of existing residential development within a three-hundred-foot area surrounding the site is at or exceeds the density permitted in the Boulder Valley Comprehensive Plan, then the maximum density permitted on the site shall not exceed the lesser of:

The proposed project is for a mixed-use commercial development that does not include any residential units; therefore, the proposed development does not exceed the maximum density associated with the BVCP land use designation.

(i) The density permitted in the Boulder Valley Comprehensive Plan, or

Not applicable.

(ii) The maximum number of units that could be placed on the site without waiving or varying any of the requirements of chapter 9-8, "Intensity Standards," B.R.C. 1981.

Not applicable.

(C) The proposed development's success in meeting the broad range of BVCP policies considers the economic feasibility of implementation techniques required to meet other site review criteria.

The proposed project is subject to the adopted Transit Village Area Plan (TVAP) and as such is required to provide public improvements in accordance with the adopted plan. Required public improvements to be provided by the applicant as part of this project include a new 12' multi-use path along the west side of the

railroad tracks as well as a multi-use path running east-west across the project site connecting the path to Junction Place. The project also includes completion of the east side of Junction Place. Overall, this project includes a number of improvements that will provide economic benefit to the community as a whole. Further, the project includes numerous sustainability and building efficiency features which are design to save money in the long-term, meaning that the project has been designed with long-term economic feasibility in mind.

(2) Site Design: Projects should preserve and enhance the community's unique sense of place through creative design that respects historic character, relationship to the natural environment, multi-modal transportation connectivity and its physical setting. Projects should utilize site design techniques which are consistent with the purpose of site review in Subsection (a) of this section and enhance the quality of the project. In determining whether this subsection is met, the approving agency will consider the following factors:

(A) Open Space: Open space, including, without limitation, parks, recreation areas and playgrounds:

(i) Useable open space is arranged to be accessible and functional and incorporates quality landscaping, a mixture of sun and shade and places to gather;

The project incorporates a variety of usable open spaces, including a large central plaza, a pocket plaza on the north side of the north building, and a restaurant patio area on the south side of the southern building. The central plaza is easily accessed from either Junction Place or the multi-use path along the east side of the site via a multi-use path connection running east-west through the plaza, and includes seating, public art, and bike parking. The central plaza also provides the primary building entrances for the first floor tenant spaces, as well as pedestrian access to the underground parking. The restaurant patio is situated just off Goose Creek, and will be visible to passers-by. The northern pocket plaza is more private, and is intended primarily for building tenants. Overall, the open space fully meets the intent of this criterion.

(ii) Private open space is provided for each detached residential unit;

Not applicable, as there are no residential units proposed.

(iii) The project provides for the preservation of or mitigation of adverse impacts to natural features, including, without limitation, healthy long-lived trees, significant plant communities, ground and surface water, wetlands, riparian areas, drainage areas and species on the federal Endangered Species List, "Species of Special Concern in Boulder County" designated by Boulder County, or prairie dogs (Cynomys ludiovicianus), which is a species of local concern, and their habitat;

Not applicable, as the site is currently a graded dirt lot with no significant natural features.

(iv) The open space provides a relief to the density, both within the project and from surrounding development;

The open space features will provide a relief from the intensity of the project, and will also help to provide relief from the density of the existing Steel Yards development to the west. The central plaza creates an open sight line through the middle of the site and aligns with the existing street connection the east, which will provide a relief from the building massing for both users of the plaza as well as

people approaching the site from the west. The central plaza also includes amenities meant to make it feel more comfortable, including seating, string lights, trees and transparent building materials along the ground floors. The pocket plaza on the north side of the site will also help provide a relief to tenants by providing them with a somewhat secluded, quieter open space area.

(v) Open space designed for active recreational purposes is of a size that it will be functionally useable and located in a safe and convenient proximity to the uses to which it is meant to serve;

The open spaces are intended primarily for passive recreational usage, and are sized appropriately. The central plaza will include a multi-use path connection, which will be appropriately signed and decorated with colored pavers in order to ensure that bicyclists and pedestrians are safely separated.

(vi) The open space provides a buffer to protect sensitive environmental features and natural areas; and

Not applicable, as there are no existing sensitive environmental features or natural areas on or near the site.

(vii) If possible, open space is linked to an area- or city-wide system.

The proposal includes construction of a new multi-use path along the west side of the railroad tracks, which will connect the Goose Creek trail to the future Rail Plaza to the north. The project also includes a new east-west connection through the site which will connect the multi-use path along the tracks to Junction Pl. to the west.

(B) Open Space in Mixed Use Developments (Developments That Contain a Mix of Residential and Nonresidential Uses):

Not applicable, as the proposed project does not include any residential uses.

(C) Landscaping:

(i) The project provides for aesthetic enhancement and a variety of plant and hard surface materials, and the selection of materials provides for a variety of colors and contrasts and the preservation or use of local native vegetation where appropriate;

The landscaping within the project primarily supports the Junction Place streetscape, and as such the majority of the landscaping is either street trees or hardy ground cover, both of which help to soften an otherwise urban development. Additional trees are provided in the central plaza, and planters are provided in the northern pocket plaza.

(ii) Landscape design attempts to avoid, minimize or mitigate impacts on and off site to important native species, healthy, long lived trees, plant communities of special concern, threatened and endangered species and habitat by integrating the existing natural environment into the project;

Not applicable, as there are no existing sensitive environmental features or natural areas on or near the site.

(iii) The project provides significant amounts of plant material sized in excess of the landscaping requirements of Sections 9-9-12, "Landscaping and Screening Standards," and 9-9-13, "Streetscape Design Standards," B.R.C. 1981; and

The landscape plan includes two large mature trees within the central plaza, and provides turf areas both within the plaza and along the multi-use path that are larger than required by the code.

(iv) The setbacks, yards and useable open space along public rights of way are landscaped to provide attractive streetscapes, to enhance architectural features and to contribute to the development of an attractive site plan.

The streetscape along Junction Pl. is designed in accordance with the TVAP street design guidelines, and is landscaped with planting strips containing street trees.

(D) Circulation: Circulation, including, without limitation, the transportation system that serves the property, whether public or private and whether constructed by the developer or not:

(i) High speeds are discouraged or a physical separation between streets and the project is provided;

A physical separation between streets and the project is provided in the form of a landscaped planting strip and 10' sidewalk. The project includes completion of the eastern side of Junction Pl. in accordance with the adopted TVAP guidelines, which are intended to discourage high speeds.

(ii) Potential conflicts with vehicles are minimized;

The project minimizes the potential for conflicts between vehicles and bikers/ pedestrians by utilizing a single garage access at the northern end of the site, and by providing bollards at the bicycle entrance to the central plaza.

(iii) Safe and convenient connections are provided that support multi-modal mobility through and between properties, accessible to the public within the project and between the project and the existing and proposed transportation systems, including, without limitation, streets, bikeways, pedestrianways and trails;

The project provides numerous connections supporting multi-modal mobility, including a multi-use path running along the east side of the site along the railroad tracks which will eventually connect the rail plaza to the Goose Creek path, an east-west connection providing a connection between that path and Junction Place to the west, and a 10' sidewalk running along Junction Place and providing direct access to the Goose Creek bridge.

(iv) Alternatives to the automobile are promoted by incorporating site design techniques, land use patterns and supporting infrastructure that supports and encourages walking, biking and other alternatives to the single-occupant vehicle;

The proposed project includes several design and programmatic features intended to promote alternative transportation, including the aforementioned multi-use path connections, short- and long-

term bike parking spaces and changing facilities for tenants. In addition, the proposed "mobility hub" concept includes providing 10% of the off-street parking for carpool and carshare vehicles.

(v) Where practical and beneficial, a significant shift away from single-occupant vehicle use to alternate modes is promoted through the use of travel demand management techniques;

The applicant has provided a travel demand management plan and is also part of the TDM parking district.

(vi) On-site facilities for external linkage are provided with other modes of transportation, where applicable;

The project includes short- and long-term bike parking and also provides spaces for carpool and carshare vehicles.

(vii) The amount of land devoted to the street system is minimized; and

The street system has been designed and implemented through the transit Village Area Plan.

(viii) The project is designed for the types of traffic expected, including, without limitation, automobiles, bicycles and pedestrians, and provides safety, separation from living areas and control of noise and exhaust.

The site is designed to accommodate bicycle and pedestrian traffic as well as automobiles. The automobile parking is located in an underground parking area to control noise and exhaust. In addition, street traffic will be separated from the development by a landscaped strip and 10' sidewalk.

(E) Parking:

(i) The project incorporates into the design of parking areas measures to provide safety, convenience and separation of pedestrian movements from vehicular movements;

T*he parking garage under the north building will remove automobiles from plain view and create a level of separation between cars and pedestrians. Having only one access point that is not central to the project will also help to reduce interactions between vehicles and pedestrians.*

(ii) The design of parking areas makes efficient use of the land and uses the minimum amount of land necessary to meet the parking needs of the project;

By placing the parking underground, the amount of land required for parking is minimized.

(iii) Parking areas and lighting are designed to reduce the visual impact on the project, adjacent properties and adjacent streets; and

By placing the parking garage underground, the visual impact of the parking area and associated lighting on adjacent streets and properties are minimized.

(iv) Parking areas utilize landscaping materials to provide shade in excess of the requirements in Subsection 9-9-6(d), and Section 9-9-14, "Parking Lot Landscaping Standards," B.R.C. 1981.

Not applicable, as the parking is located underground.

(F) Building Design, Livability and Relationship to the Existing or Proposed Surrounding Area:

(i) The building height, mass, scale, orientation, architecture and configuration are compatible with the existing character of the area or the character established by adopted design guidelines or plans for the area;

The site is comprised of of the two remaining undeveloped lots in the Steel Yards Subdivision. Surrounding uses include the new Nickel Flats residential building immediately across Junction Pl. and the mixed residential and live-work Steelyards development further to the west; the former Sutherlands site (currently under review for the S'Park development) immediately to the north, and mixed office and light industrial uses to the east across the railroad tracks. The Goose Creek Greenway runs just south of the site, with the mixed use Depot Square development and residential Solana development abutting the west side of the railroad tracks further to the south.

The site is located in the northern portion of Boulder Junction. The Boulder Junction area is guided by the Transit Village Area Plan and is anticipated to redevelop as several new urban, mixed-use, transit-oriented neighborhoods. Consistency of the project with TVAP is discussed in Key Issue #1 below.

The proposed northern building is 59,998 sq. ft. in size and consists of a roughly "H" shaped design that steps down the massing from four stories (55') along the rail road (east) side of the site to three stories along the Junction Pl. frontage to the west. The southern building totals 40,230 sq. ft. in size, and incorporates a similar stepped design that places a 55', four-story building element along the railroad tracks which steps down to three stories along Junction Pl. to transition to the smaller scale of the existing Steel Yards buildings to the west. Overall, the height, mass and scale of the buildings is in keeping with the adopted TVAP vision for the Mixed-Use 2 area and also fits in with the existing and planned larger building to the north and south while providing a buffer and a transition in scale to the smaller residential and mixed use buildings to the west.

(ii) The height of buildings is in general proportion to the height of existing buildings and the proposed or projected heights of approved buildings or approved plans or design guidelines for the immediate area;

As noted on Pages 8 & 9 of the staff memorandum, within TVAP, the land use designation for the site is MU-2 or Mixed Use -2, which anticipates three- to four-story mixed use buildings at a FAR of 1.5 to 2.0. In addition, the intent described in TVAP for the "Rail Plaza District" in which the project site is located is for the district to "evolve into a high-density, commercial and residential mixed use area, with three- to five-story buildings." Because of the level of intensity anticipated to help support and enliven the rail plaza, overall the planned mass and scale appears to be consistent with TVAP.

(iii) The orientation of buildings minimizes shadows on and blocking of views from adjacent properties;

The orientation of the buildings is dictated by the urban lot and the Junction Place street orientation. The street preserves views as you move south over Goose Creek bridge, and the train tracks to the east mean there are no immediate neighbors whose views could be affected. In addition, because of the unique shape of the property, the proposed buildings are narrow from east to west and long from north to south, meaning that the overall width of shadows crossing onto the S'Park property to the north are minimized. Overall, given the planned intensity to the north of the project site to be realized via the S'Park development as well as the fact that there are essentially open space buffers to the east and south of the site (the rail road tracks and Goose Creek, respectively), the buildings will minimize shadows and will not significantly affect existing viewsheds from other properties.

(iv) If the character of the area is identifiable, the project is made compatible by the appropriate use of color, materials, landscaping, signs and lighting;

The character of the area is determined both by the existing Steel Yards development to the west as well as the intent of the adopted TVAP Character Districts. As discussed in Key Issue #1 in the staff memorandum, the project is in keeping with the Rail Plaza District design guidelines. While the signage and lighting has not yet been finalized for the project, the applicant will be required to provide final architectural plans for Technical Document Review, which will ensure consistency with the architectural intent of the project as memorialized in the approved plan set.

(v) Projects are designed to a human scale and promote a safe and vibrant pedestrian experience through the location of building frontages along public streets, plazas, sidewalks and paths, and through the use of building elements, design details and landscape materials that include, without limitation, the location of entrances and windows, and the creation of transparency and activity at the pedestrian level;

Both buildings incorporate a 10-foot setback along Junction Pl., with the ground level frontages containing primary entrances to several tenant spaces and consisting primarily of brick storefronts with metal and wood accents and a mix of overhangs and recessed windows and doorways to maintain visual interest. The north and south elevations of each building consist primarily of metal paneling with high -pressure laminate and wood siding. As will be discussed in further detail below, the eastern facades along the railroad tracks will consist almost entirely of integrated solar panels. Overall, the frontages along Junction Pl., combined with the central open space plaza and the associated amenities therein, will create a genuinely welcoming and visually interesting pedestrian realm that will help to enliven Junction Pl. in accordance with the intent of the Junction Place design guidelines found in TVAP.

(vi) To the extent practical, the project provides public amenities and planned public facilities;

As discussed in the Open Space criteria analysis above, the project provides two required multi-use path connections in accordance with the TVAP Connections Plan, one running north-south along the railroad tracks and one running east west across the site. The project also includes the completion of the east side of Junction Place.

(vii) For residential projects, the project assists the community in producing a variety of housing types, such as multifamily, townhouses and detached single family units, as well as mixed lot sizes, number of bedrooms and sizes of units;

Not applicable, as the project is commercial only and does not include any residential units.

(viii) For residential projects, noise is minimized between units, between buildings and from either on-site or off-site external sources through spacing, landscaping and building materials;

Not applicable, as the project is commercial only and does not include any residential units.

(ix) A lighting plan is provided which augments security, energy conservation, safety and aesthetics;

A preliminary lighting plan has been provided. A final lighting plan will be required during Technical Document Review in order to ensure compliance with the city's lighting standards.

(x) The project incorporates the natural environment into the design and avoids, minimizes or mitigates impacts to natural systems;

The project primarily supports the urban street, and as such the majority of the landscaping is either street trees or hardy ground cover, both focused on providing a sense of green and organic material in an urban space. The project also provides immediate adjacency to the Goose Creek greenway. As previously discussed, there are no existing sensitive natural systems on-site, so overall the project will enhance the urban open space network in the area.

(xi) Buildings minimize or mitigate energy use; support on-site renewable energy generation and/or energy management systems; construction wastes are minimized; the project mitigates urban heat island effects; and the project reasonably mitigates or minimizes water use and impacts on water quality;

The proposed project will be required to meet the city's recently adopted energy code (International Energy Efficiency Code (IECC) plus 30 percent additional efficiency). These standards are considered to be very aggressive with regard to energy efficiency in building design. In addition, the proposed project includes a variety of sustainability features intended to achieve a LEED platinum standard at a minimum. The design and orientation of the buildings allows for optimal daylighting and uninterrupted solar access on the roof and east facade of the buildings and the project integrates solar panels into the architectural design of these elements. The fenestration patterning and materiality are intended to create a building envelope consisting of thermally broken windows, tuned window-to-glass ratios per facade, and architectural designed shades to reduce heat gain in summer and heat loss in winter. Per the applicant's written statement, the project will also seek to reduce its demand loads on an annualized basis. The project design also includes venting to provide air-flow through the building for natural cooling at night, and thermal mass in the floors to help carry that cooling throughout the day. The applicant is also exploring responsive HVAC strategies such as a variable refrigerant system to allow the building to respond to the actual unit needs rather than conditioning on a full-building scale, and a variety of tenant-based ideas are being considered to reduce plug loads.

(xii) Exteriors of buildings present a sense of permanence through the use of authentic materials such as stone, brick, wood, metal or similar products and building material detailing;

The exterior palette is comprised of dark, stackbond brick and warm grey zinc panels, run vertically. Occasionally, painted steel columns and beams will be exposed. Also, a vertically-oriented wood or composite wood product is planned for a few walls on level 1 and most of the exposed soffits on level 1. This palette fits the aesthetic of the Boulder Junction, and the high quality materials will ensure that the building presents a sense of permanence throughout its life.

(xiii) Cut and fill are minimized on the site, the design of buildings conforms to the natural contours of the land, and the site design minimizes erosion, slope instability, landslide, mudflow or subsidence, and minimizes the potential threat to property caused by geological hazards;

As an existing, graded urban lot, the lot needs little cut or fill except for the underground parking structure.

(xiv) In the urbanizing areas along the Boulder Valley Comprehensive Plan boundaries between Area II and Area III, the building and site design provide for a well-defined urban edge; and

Not applicable, as the lot is not located within one of the urbanizing areas along the Boulder Valley Comprehensive Plan boundaries between Area II and Area III.

(xv) In the urbanizing areas located on the major streets shown on the map in Appendix A to this title near the Boulder Valley Comprehensive Plan boundaries between Area II and Area III, the buildings and site design establish a sense of entry and arrival to the City by creating a defined urban edge and a transition between rural and urban areas.

Not applicable, as the lot is not located within one of the urbanizing areas along the Boulder Valley Comprehensive Plan boundaries between Area II and Area III.

USE REVIEW CRITERIA

Criteria for Review: No use review application will be approved unless the approving agency finds all of the following:

✓ (1) Consistency with Zoning and Non-Conformity: The use is consistent with the purpose of the zoning district as set forth in Section 9-5-2(c), "Zoning Districts Purposes," B.R.C. 1981, except in the case of a non-conforming use;

The project site is zoned MU-4 (Mixed Use – 4) , defined in the land use code as: "Mixed use residential areas generally intended for residential uses with neighborhood-serving retail and office uses; and where complementary uses may be allowed. It is anticipated that development will occur in a pedestrian-oriented pattern, with buildings built up to the street." (section 9-5-2(c)(2)(D)). For the purposes of applying zoning, the proposed use is considered a restaurant outside of the University Hill general improvement district that is over 1,500 square feet in floor area and which closes after 11 p.m., which requires a Use Review to operate in the MU-4 zone.

_____ (2) Rationale: The use either:

__✓__ (A) Provides direct service or convenience to or reduces adverse impacts to the surrounding uses or neighborhood;

*The proposed restaurant and tavern will provide a direct service the surrounding uses and neighborhood by adding to the mix of uses along Junction Place in accordance with the adopted vision of TVAP. With 90 residential units in the Steel Yards, the new affordable units and hotel to the south, and the new residential units proposed at S*Park, the coffee shop and restaurant will serve a much needed function for the area. The restaurant will provide both indoor and outdoor dining spaces which will serve both adjacent tenants as well as the broader public. The location of the restaurant on the southern side of the south building places it away from the existing residential uses to the west in Steel Yards and also takes advantage of the Goose Creek Greenway to act as a buffer between the outdoor seating and the nearby Boulder Junction development across the creek to the south..*

_____ (B) Provides a compatible transition between higher intensity and lower intensity uses;

_____ (C) Is necessary to foster a specific city policy, as expressed in the Boulder Valley Comprehensive Plan, including, without limitation, historic preservation, moderate income housing, residential and non-residential mixed uses in appropriate locations, and group living arrangements for special populations; or

_____ (D) Is an existing legal non-conforming use or a change thereto that is permitted under subsection (e) of this section;

__✓__ 3) Compatibility: The location, size, design, and operating characteristics of the proposed development or change to an existing development are such that the use will be reasonably compatible with and have minimal negative impact on the use of nearby properties or for residential uses in industrial zoning districts, the proposed development reasonably mitigates the potential negative impacts from nearby properties;

The proposed restaurant is part of a larger, 2-building, 11,000 sq. ft. development known as "the Commons," and as such will contribute to the overall planned mix of uses in that area. The proposed hours of operation are from 11:00 am to 2:00 am, which will allow the restaurant to provide a broad range of food services. The proposed project is currently in the Site Review process, and is evaluated for consistency with the adopted goals and vision of TVAP in the staff memorandum. Overall, given TVAP's stated intent to place "active uses, such as retail or commercial services on the first floor of buildings along Junction Place," and to have the Rail Plaza District become a "high-density, commercial and residential mixed-use area," that also serves as "a lively gathering place inviting to a broad spectrum of the community," the proposed restaurant will help further these goals and to make Junction Place a more active urban area. In addition, as discussed above, the location of the restaurant on the southern side of the south building places it away from the existing residential uses to the west in Steel Yards and also takes advantage of the Goose Creek Greenway to act as a buffer between the outdoor seating and the nearby Boulder Junction development across the creek to the south..

__✓__ (4) Infrastructure: As compared to development permitted under Section 9-6-1, "Schedule of Permitted Uses of Land," B.R.C. 1981, in the zone, or as compared to the existing level of impact of a non-conforming use,

the proposed development will not significantly adversely affect the infrastructure of the surrounding area, including, without limitation, water, wastewater, and storm drainage utilities and streets;

The proposed restaurant is included as part of a larger redevelopment proposal for the site, and has been taken into consideration in the utility and right-of-way requirements for the development. The proposed project is of a size and intensity anticipated by TVAP, and as such is in keeping with the planned infrastructure improvements for the area.

__✓__ (5) Character of Area: The use will not change the predominant character of the surrounding area or the character established by adopted design guidelines or plans for the area; and

Within TVAP, the land use designation for the site is MU-2 or Mixed Use -2, which anticipates three- to four-story mixed use buildings at a FAR of 1.5 to 2.0. The project site is located in the area identified by TVAP as the "Rail Plaza District." As noted on page 23 of TVAP, this is the area that ultimately, "will host the Boulder stop on the new commuter rail service to Denver and Longmont." The intent of the district is further defined, "The district will evolve into a high-density, commercial and residential mixed use area, with three- to five-story buildings." As discussed in the staff memorandum, overall the project has remained consistent with the Concept Plan Review and with TVAP, especially in terms of building mass and scale, provision of required multi-use path connections, high quality open space features and activation of the Junction Place streetscape at the pedestrian level. As part of the larger proposed project, the proposed restaurant is in keeping with the character established for the area by TVAP.

_N/A_ (6) Conversion of Dwelling Units to Non-Residential Uses: There shall be a presumption against approving the conversion of dwelling units in the residential zoning districts set forth in Subsection 9-5-2(c)(1)(a), B.R.C. 1981, to non-residential uses that are allowed pursuant to a use review, or through the change of one non-conforming use to another non-conforming use. The presumption against such a conversion may be overcome by a finding that the use to be approved serves another compelling social, human services, governmental, or recreational need in the community including, without limitation, a use for a day care center, park, religious assembly, social service use, benevolent organization use, art or craft studio space, museum, or an educational use.

Not applicable, as the subject proposal does not include any conversion of existing dwelling units to non-residential uses.

CITY OF BOULDER
PLANNING BOARD ACTION MINUTES
August 20, 2015
1777 Broadway, Council Chambers

A permanent set of these minutes and a tape recording (maintained for a period of seven years) are retained in Central Records (telephone: 303-441-3043). Minutes and streaming audio are also available on the web at: http://www.bouldercolorado.gov/

PLANNING BOARD MEMBERS PRESENT:
Aaron Brockett, Chair
Bryan Bowen
John Putnam
John Gerstle
Leonard May
Liz Payton

PLANNING BOARD MEMBERS ABSENT:
Crystal Gray

STAFF PRESENT:
Charles Ferro, Development Review Manager
Hella Pannewig, Assistant City Attorney
Cindy Spence, Administrative Assistant III
David Thompson, Transportation Engineer
Sloane Walbert, Planner I
Chandler Van Schaak, Planner I
Chris Meschuk, Planner II
Lesli Ellis, Comprehensive Planning Manager for CP&S
Jean Gatza, Community Sustainability Coordinator

1. **CALL TO ORDER**
   Chair, **A. Brockett**, declared a quorum at 6:09 p.m. and the following business was conducted.

2. **APPROVAL OF MINUTES**

   On a motion by **J. Putnam** and seconded by **L. Payton** the Planning Board voted 6-0 (Crystal Gray absent) to approve the October 2, 2014 minutes as amended,

3. **PUBLIC PARTICIPATION**

4. **DISCUSSION OF DISPOSITIONS, PLANNING BOARD CALL-UPS/CONTINUATIONS**
   A. Call Up Item: Minor Amendment to Approved Site Review to convert six one-bedroom

units into a new community center at 3502 Nottingham Ct. (Kalmia Apartments), which includes the addition of 588 square feet on two levels. Included in the approval are new porches and decks on all ten buildings, new storage sheds for all units, updated landscaping and a relocated playground. In addition, the drive access between Nottingham Ct. and Arthur Ct. will be converted into a one-way pedestrian-oriented street. Case No. LUR2015-00023.

B. Call Up Item: Minor Amendment to Approved Site Review for a 4,453 square foot addition to an existing building on the south side of the property at 3267 30th St. (Diagonal Court Townhomes). The addition will be used as a community center. Included in the approval are new front porches, entries, rear decks and individual storage sheds for each unit. The approval also includes updated landscaping, a new playground and community garden beds. Additionally, the existing drive lane will be converted to a one-way drive access with parking in a new configuration. Case No. LUR2015-00031.

B. Bowen recused himself from both items.
None of items were called up.

5. PUBLIC HEARING ITEMS

A. Public hearing and consideration of Site and Use Review applications for redevelopment of an approximately 1.34-acre site located at 2440 and 2490 Junction Place within Boulder Junction. Referred to as "The Commons," the proposed commercial development would consist of two, 3-4 story, 55' tall buildings totaling roughly 100,000 sq. ft. that would include professional office space, restaurant space and "flex" space intended as community gathering space. The proposal also includes 56 underground parking spaces, a proposed "mobility hub" that includes a car share program and B-Cycle Station, a central public plaza area and multiple multi-modal connections through the site. The project is reviewed under two separate case no. LUR2015-00048 (Site Review) and LUR2015-00065 (Use Review, required for proposed restaurant over 1,500 sq. ft. in size).

Applicant: Bill Hollicky/Coburn Architecture
Property Owner: 2440 Junction Pl., LLC & 2490 Junction Pl., LLC

Staff Presentation:
C. Ferro introduced the item.
C. Van Schaak presented the item to the board.

Board Questions:
C. Van Schaak answered questions from the board.

Applicant Presentation:
Andy Bush, 2345 Bluff St., the applicant, presented the item to the board.
Bill Hollicky, with Coburn Architecture, 3020 Carbon Pl., Ste. 203, presented the item to the board.

Board Questions:
C. Van Schaak, Bill Hollicky, the architect for the project, and **Andy Bush**, the applicant, answered questions from the board.

Public Hearing:

- **John Koval, 2245 16th St.**, spoke in support of the item.
- **Jamison Brown, 2428 20th St.**, spoke in support of the item.
- **Eric Budd, 3025 Broadway St., #38**, spoke in support of the item.
- **Scott Coe, 6083 Chelsea Manor Ct.**, spoke in support of the item.
- **Alex Hyde-Wright, 710 37th St.**, spoke in support of the item.

Board Comments:
Key Issue #1:
Does the proposal meet Site Review Criteria, including Boulder Valley Comprehensive Plan (BVCP) policies?

- **L. May** stated the plan is very well done and consistent and a sophisticated design. Meets TVAP requirements. Well design in the transition of scale from east side from tacks to the smaller scale of the steel yards to the street. Good balance of heights in buildings.
- **J. Putnam** agreed with **L. May**. Sustainability elements are place-making. This project is a model for sustainability. It doesn't call too much attention to itself and very consistent.
- **A. Brockett** agreed with previous statements. The model is very realistic. Setting the bar for new development projects from an energy standpoint.
- **B. Bowen** agreed. Satisfies energy goals for Boulder. Will be a landmark for Boulder. At concept review, made basic moves and logical reaction. Good job with conceptual analysis. Mix of uses is right. Right stuff for the location. Worked hard on community driving retail space. Compliments community. Meets policies in TVAP.
- **L. Payton** stated it's a creative use of site. Steps down to the pedestrian level. Fenestration is handled great. Great access and different ways to get into the building. Authentic breaking up of the building, into two separate buildings is great. Sustainable efforts are great. However, the materials and edges are cold, hard and dark. Worried it will look masculine and intimidating. The building needs something to draw people in. Could have more landscaping or gardens to make warmer and welcoming. Doesn't really help to make the neighborhood cohesive neighborhood. Doesn't really pull it together. There is no relation to existing structures.
- **J. Gerstle** the plan is consistent with Comprehensive Plan and TVAP objectives. The architecture is attractive.

Key Issue #2:
Architecture and Design

- **L. May** generally think the architecture is good. But maybe some cold and hardness exists. The south building is light and refined. Must more elegant character. More simple and better for it. Not make a condition, not necessary. The

north building façade (west elevation), window insets is clunky looking and awkward and refinement could happen. On the ground floor, there is an uncomfortable relationship in materials. The change of material from brick to wood is awkward. It needs some further simplification. The southern building is more simple and better for it. No conditions.

- **A. Brockett** agreed the southern building is successful. North building from the plaza functions well. But agree, that the west elevation of north building could be refined. No conditions, but could be refined.
- **B. Bowen** stated that the process through BDAP were at a great level of detail. Planning Board did a good job giving conceptual ideas and BDAP carried it though. He likes the rhythm and pattering of west side of north building. Refinement is going in the right directions. The infill sections with details on the windows will not be settled today. On the east façade, really like the suggestions of PV. Directions as treating as a sculpture element is smart is smart. Agree with **L. Payton** on warmth of material. Likes the wood feeling on bottom of facets on the overhang.
- **J. Putnam** questioned south end and whether to add shading? Would be helpful to extend out to activate dead grass. Appreciate ideas of fabric and wood to soften the materials and to add color. Landscaping would be beneficial. Similarly, the west façade of north building, address with more details and echoes of mid-century bldgs.
- **A. Brockett** states he agrees with J. Putnam regarding the shade activation on the southern edge.
- **J. Gerstle** stated it is an attractive design. Fan of yellow insert windows. Agree comments with making it warmer.
- **B. Bowen** stated the simulated divided lights are awesome.
- **L. May** added that in BDAP meeting, the restaurant entry on SE corner that it is inviting, and no changes needed.
- **B. Bowen** agreed with **L. May**.

<u>Key Issue #3:</u>
Plaza Layout

- **A. Brockett** stated that the transformer placement is not working yet. Solution at this point is worse than previously given. Makes it look like a construction site. Making plaza not too large is good idea. He feels the pavilion approach and transformers on north section have taken over too much of the Plaza. Dead zone on south end of north building now. Liked the glass entrance into garage and added interest, but it's now hidden. Would like to see applicant come up with different approach.
- **B. Bowen** agreed. BDAP had lots of discussions around that. Want to see stairs more emphasized. The Pavilion hides it. Continue to refine and would like more permeability to north and less assembly of stuff. Like the balance leaning toward with more structure to the systems happening in there in regards to the more habitable stuff.
- **L. May** –believes the canopy works well and an improvement. Agree with points made that walling off the stairway doesn't work well and could be better integrated.

In his opinion, the plan falls apart with the transformer enclosure wedged between building and canopy.

- **J. Putnam** echoed **L. May** regarding the canopy. Could find ways to warm it up or give color.
- The board questioned if the transformers need to be enclosed.
- The applicant responded that they do not, but they could reduce the size and maybe expose a transformer. The idea was to use wood and cortense steal, but can improve what they have rendered.
- **L. Payton** likes the canopy and bench. But screening around the transformers, she supports staff condition of approval to move the transformers. Likes the idea of a glass stairway/wall around the stairway.

Key Issue #4:
Parking

- **L. May** has no issue regarding the parking. Need more understanding why parking is not as big a concern as it should be to others. Boulder does have general parking district which takes away the requirement. Key point to make is that constricting parking supply is very important to shift to alternative modes of transportation. Important due to climate change and Boulder has ambitious plans. Not an attack on people who drive, it's something that needs to be done.
- **J. Putnam** is glad to see interest in having EV charging. Need to change to alternative uses. Don't think we should count that against Net Zero status. Don't want to discourage people for providing that opportunity. Allowing bikes into tenant space, is a real deterrent. Complimented the applicant for using parking for non-traditional modes.
- **A. Brockett** urged the applicant to keep working on getting information regarding shared transportation with neighbors.
- **L. Payton** stated that the projected 38 parking spaces is way too low. Demonstrated some commitment to climate control, but why be stingy on bike parking. Suggested it be 200 long term bike spaces. If neighborhood parking program doesn't go into effect, would not be a success. Has to go into effect or people will be driving around and create a mess. Hope to have a condition to increase the number of long term bike spaces significantly.
- **J. Gerstle** agrees with **L. Payton**. Unnecessarily limited to provide as few spaces as you are. More efficient to supply those bike spaces, in allocated placed in the building, rather than expect people to carry bike into the office. Seems natural to provide significant greater parking spaces. Presume the neighborhood parking pass program with steel yards will go through.
- **B. Bowen** stated that the current plan is providing slightly more spaces that what is required by Code.
- **C. Van Schaak** agreed, by a few spaces.

Key Issue #5:
Proposed Conditions

1) Potential delays in working with railroad on the easement -

- **H. Pannewig** made 2 changes. As part of a TEC doc approval and before issue of a permit, required to provide an MOU that shows that the railroad agrees to vacate the easement within 16ft where the multipath will be. And then, and additional requirement prior to building permit issuance, that easement be vacated and that the vacation is recorded.
- The board was in agreement.

2) Construction of several public improvements -
   - **H. Pannewig** stated that the required construction of several public improvements prior to building permit issuance but construction of the project would have impact. Rather than having required prior to construction, she changed it to be prior to issuance of Certificate of Occupancy so it can be constructed at the same time.
   - The board was in agreement.
3) Change to condition #9 of Site Review Approval –
   - **H. Pannewig** stated it addresses proposal to TDM plan. Changed condition to ask for carpool and van share spaces (6 spaces total) and could be assigned as need. In addition, **H. Pannewig** changed the condition to include a B-Cycle station with minimum of 22 shared bikes.
   - The board agreed that it is reasonable to see more bike spaces and look at it.
   - **A. Brockett** asked if the applicants have thoughts on numbers.
   - **A. Bush** stated they think of bikes as part of the commuter stock. 65 bike spaces are reasonable.
   - Board agreed (**L. Payton** exception) on 65 long term bike spaces separate from B-Cycle station.
   - **L. Payton** stated that 65 long term bike spaces is still not enough and will make people compete for the spaces.
   - **J. Putnam** suggested another possibility, to propose a condition that part of TDM plan, allow for people to bring bikes up to their offices. Operators of building shall not prevent bikes of employees from going up to their office and guests to go up to tenant spaces.
   - **H. Pannewig** drafted the new condition based on suggestions from the board.
4) Energy efficiency condition –
   - **J. Gerstle** concerned with the wording regarding the "number and size of solar panels" may change. Should say output capacity rather than "number".
   - **A. Brockett** suggested the working be changed to "the wall and roof area (square footage) of solar panels."
   - **H. Pannewig** drafted the new condition based on suggestions from the board.
5) **H. Pannewig** stated that staff proposed several conditions pertinent to energy efficiency. One require a demonstration that the building would designed to meet the requirement obtained in the Platinum LEAD certification. The plan stated the aspiration, not to actually get the certification, but to meet that standard. Staff drafted another alternative, attempting to tie down Net Zero Energy. Staff if proposing this in lieu of their detailed requirement. The conditions drafted by staff would be new conditions.
   - Applicant stated they would prefer their proposals. Their plans are beyond LEAD Platinum. And in terms of Net Zero, never done what they are proposing and it would be difficult to measure.

- **A. Brockett** stated that he is comfortable with staff's proposals.
- **C. Ferro** stated that they had drafted the proposals prior to the applicant's providing a specific list of what can be performed. Staff is comfortable with what the applicant provided. But wanted to present the options.
- **B. Bowen** stated he is comfortable with that. The proposals are a better solution given that they are more thought out. In future, if requiring LEAD Platinum, comparable is a descent way to talk about this.
- **J. Putnam** stated applicants report back to the city for three years how generation vs. usage is doing.
- **L. May** stated that this condition (5 & 6) holds this approval to a standard that is part of our consideration. Gives you a performance benchmark. Condition 6 has a Net Zero aspiration. Not a guarantee, but "roughly". Uncomfortable of not hold them to the standard that we require.
- **A. Brockett** stated that they may not make the requirement. May not be Net Zero, but we will get high performance building that they are promising and committing to it.
- **B. Bowen** is comfortable if they say they will comply. Can quantify and review, whereas an energy performance is not something that we can look at and enforce recourse.
- **C. Ferro,** could look for a letter from their engineer, but need to employ a consultant to quantify it. If it didn't comply, then they are not meeting the requirements of their Site Review, then trip to Planning Board if have the right standard and ask for modifications.
- **J. Putnam** stated the applicants did not commit to Net Zero, provided means to get there, which is enforceable, if they provide results, then we can learn from that.
- **C. Ferro** is comfortable with what the applicant is proposing.
- **L. May** could set a benchmark that gives them a fair amount of latitude to reaching Net Zero. But not comfortable agreeing to this because it enters into aspirations of projects. It is appropriate for the Planning Board to take aspirations and set a standard in the Site Review approval. The standard can have some forgiveness. But don't make the offer if you can't deliver.
- **L. Payton** agreed with **L. May**. Marketed to us as the sustainability center piece. The list of mechanical parts and types of windows and carpeting, how can we actually know it will be them to Net Zero as presented. Consideration of all the variances is that they were bring a ground breaking building to us. We should set a standard and have it met.
- **J. Gerstle** agrees with L. Payton and L. May. The list of specifics is fine, but didn't base consideration on it. Based on overall status the building would achieve.
- **B. Bowen** the promise it to try hard and to get close.
- **J. Gerstle** willing to put in some flexibility but have standards and hold them to it.
- **B. Bowen** stated that if staff can review a plan and say they have done it is important.
- **L. May** stated that a list of eight items is no assurance of performance.

- **J. Putnam** that there is no requirement that they meet Net Zero. We would have a hard time measuring tenant performance. Still work out lighting on site, plug load, etc. Can't do that in a way to make it reasonable.
- **L. May** stated that if the applicant can make the case to come close to achieve the goal then the Planning Board should expect it to be deliverable. They set the aspiration and we accept the proposal and expect the standard be met.
- **A. Bush** stated that they understand the dilemma. Without the restaurant, which we could meter separately, but if that wording wasn't in the condition, then we could do what is demonstrated in the model. Comfortable with submitting energy data to the city as a voluntary effort for 3 years.
- **A. Brockett** declared the board would abandon the list.
- **L. May** stated the list has value and that condition 6 ties it all together.
- **J. Gerstle, L. May, L. Payton** would rather do both, the list and condition 6. **J. Putnam** agrees with condition 4. **B. Bowen** in agreement with **J. Putnam**.
- **A. Brockett stated condition 5 is gone.**
- **J. Putnam** if go with condition 5, exclude the restaurant and EV use.
- The board was in agreement.

Key Issue #6:
Transformer

- **H. Pannewig** stated that the staff has drafted a condition 7(a). The final architectural plans shall show the transformer box currently at the south end of the northern building be located to a less visible location or architecturally integrated into the building or other site feature.
- The board was in agreement regarding the condition.

Key Issue #6:
Is the proposed restaurant use consistent with the Use Review Criteria?

- **A. Brockett** stated the hours of operation, the applicant requested to extend to 6am and the other side was concerned with the lateness of the hours and being too loud.
- **H. Pannewig** stated an amended condition regarding hours of operation. No address of hours to 6am.
- **J. Gerstle** stated that the hours proposed are okay. Also the outdoor music to end at 11pm.
- **L. Payton** thinks the proposed hours are ok, but outdoor music should end earlier.
- **C. Van Schaak** noted that the ending of music at 11pm is standard.
- **B. Bowen** is fine with closed 2am-6am and music ending at 11pm
- All other board members agree.

Key Issue #7:
Decorative accents on bike path

- The applicant offered one more condition. To add decorative accents on bike path. Limited to stone. Applicant is asking for stone or concrete.
- Board agreed to grant decorative stone or concrete.

Motion:
On a motion by **J. Putnam**, seconded by **B. Bowen**, the Planning Board voted **4-2** (**L. May** and **L. Payton** opposed; **C. Gray** absent) to approve the Site Review application LUR2015-00048 and Use Review application LUR2014-00065, adopting the staff memorandum as findings of fact and subject to the recommended conditions of approval with exclusion of item #5.

L. May offered friendly amendment to ask condition #5 be re-imposed as a condition of approval. **L. Payton** seconded. Failed on (**3-3**) vote. (**A. Brockett, B. Bowen** and **J. Putnam** objected, **C. Gray** absent).

RECOMMENDED CONDITIONS OF SITE REVIEW APPROVAL

1. The Applicant shall ensure that the development shall be in compliance with all plans prepared by the Applicant on July 16, 2015 on file in the City of Boulder Planning Department, except to the extent that the development may be modified by the conditions of this approval.

2. The Applicant shall comply with all previous conditions contained in any previous approvals, except to the extent that any previous conditions may be modified by this approval, including, but not limited to, the following: the Development Agreement recorded at Reception No. 1960064 on July 14, 1999 and Subdivision Agreement recorded at Reception No. 2064118 on July 26, 2000 in the records of the Boulder County Clerk and Recorder.

3. Prior to submittal of a Technical Document Review application for the easement dedications referenced in Condition No. 4 below and prior to a building permit application, the Applicant shall provide to the City written documentation, in a form acceptable to the City, from the Burlington Northern Santa Fe (BNSF) Railway demonstrating the extinguishment of the 16-foot wide portion of the 25-foot wide Railroad Easement recorded in the Records of the Boulder County Clerk and Recorder on Film 1598 at Reception No. 1007999 to allow for dedication of a 16-foot wide multi-use path easement. The document extinguishing the 16-foot wide easement area shall be recorded with the Boulder County Clerk and Recorder's Office prior to submittal of a Technical Document Review application.

4. Prior to building permit application, as part of Technical Document Review applications, the Applicant shall dedicate to the City, at no cost, the following easements, as shown on the approved plans, meeting the City of Boulder Design and Construction Standards, , the form and final location of which shall be subject to the approval of the City Manager:

a. A ten-foot wide utility and public access easement for the Junction Place utilities and sidewalk along the west property lines of both Lot 1 and Lot 2, Block 9, Steel Yards Subdivision.

b. A sixteen-foot wide public access easement for the east/west 12-foot wide multi-use path through the Plaza Area along the property line between Lot 1 and Lot 2, Block 9, Steel Yards Subdivision.

c. A sixteen-foot wide drainage and public access easement for the north/south multi-use path along the east property lines of both Lot 1 and Lot 2, Block 9, Steel Yards Subdivision.

d. A thirteen-foot wide drainage easement along the north property line of Lot 1, Block 9, Steel Yards Subdivision.

5. Prior to a building permit application, the Applicant shall provide to the City written documentation, in a form acceptable to the City, from the PUBLIC SERVICE CO. OF COLORADO ("PSCO") demonstrating extinguishment of an easement identified as No. 14 on the PUBLIC SERVICE COMPANY OF COLORADO EASEMENT recorded at Reception No. 2484658 on August 7, 2003 in the records of the Boulder County Clerk and Recorder which runs north/south through the center of both Lot 1 and Lot 2, Block 9, Steel Yards Subdivision. The extinguishment of the PSCO easement shall be recorded in the Records of the Boulder County Clerk and Recorder prior to a building permit application.

6. Prior to a building permit application, the Applicant shall submit an Administrative Review application, subject to the approval of the City Manager, to vacate the drainage easement dedicated to the City on the Steel Yards Subdivision plat along the south property line of Lot 2, Block 9, Steel Yards Subdivision and the west side of the 25-foot Railroad Easement located along the east property lines of both Lot 2 and Lot 1, Block 9, Steel Yards Subdivision.

7. Prior to a building permit application, the Applicant shall submit a Technical Document Review application for the following items, subject to the approval of the City Manager:

a. Final architectural plans, including material samples and colors, to insure compliance with the intent of this approval and compatibility with the surrounding area. The architectural intent shown on the approved plans dated July 16, 2015 is acceptable. The final architectural plans shall show the transformer boxes currently shown at the south end of the northern building relocated to a less visible location or architecturally integrated into a building or other site feature. The final architectural plans shall also show the TDM elements described in Condition No. 9 below. Planning staff will review plans to assure that the architectural intent is performed.

b. A final site plan which includes detailed floor plans and section drawings.

c. A final utility plan meeting the City of Boulder Design and Construction Standards.

d. A final storm water report and plan meeting the City of Boulder Design and Construction Standards.

e. Final transportation plans meeting the City of Boulder Design and Construction Standards and the Boulder Greenways Design Guidelines for all transportation improvements. The Final transportation plans must include, but are not limited to: multi-use path plan and profile drawings, Junction Place plan drawings, street cross-sectional drawings, signage and striping plans in conformance with Manual on Uniform Traffic Control Devices (MUTCD) standards, transportation detail drawings, geotechnical soils report, and pavement analysis.

f. A detailed landscape plan, including size, quantity, and type of plants existing and proposed; type and quality of non-living landscaping materials; any site grading proposed; and any irrigation system proposed, to insure compliance with this approval and the City's landscaping requirements. Removal of trees must receive prior approval of the Planning Department. Removal of any tree in City right of way must also receive prior approval of the City Forester.

g. A detailed outdoor lighting plan showing location, size, and intensity of illumination units, indicating compliance with section 9-9-16, B.R.C.1981.

h. A detailed shadow analysis to insure compliance with the City's solar access requirements of section 9-9-17, B.R.C. 1981.

8. Prior to a building permit application, the Applicant shall construct, remove, or reconstruct the public improvements as described below, subject to acceptance by the City, in conformance with the approved plans and with the City of Boulder Design and Construction Standards and provide a financial guarantee, as required under section 9-2-20, B.R.C. 1981 and in a form acceptable to the Director of Public Works, for the public improvements described below:

a. Construct a north/south 12-foot wide multi-use path along the east property line.

b. Construct an east/west 12-foot wide multi-use path through the plaza area using stone accent paving bands or other similar material as approved by staff.

c. Remove and reconstruct an east/west 12-foot multi-use path south of the Property to provide a pavement section that can support a 14-ton truck and include a two-foot wide colored concrete shoulder.

d. Remove the existing diagonal parking and curb-and-gutter north of the Property in the Junction Place right-of-way and replace it with new curb-and-gutter and parallel parking.

e. Construct parallel parking, a landscape strip, and a 10-foot wide sidewalk along Junction Place adjacent to the Property.

9. The Applicant shall provide the TDM elements described in Table 2 of the TDM Plan (except for the EcoPasses and subsidized Bike Share and carshare membership which will be provided by the Boulder Junction General Improvement District), including but not limited to the following: 20 short-term bicycle parking spaces; 40 long-term bicycle parking spaces along with a security camera monitoring in the parking garage; a B-Cycle station; a minimum of three carpool spaces and three car-share spaces; and changing facilities on first level of both buildings.

RECOMMENDED CONDITIONS OF USE REVIEW APPROVAL

1. The Applicant shall ensure that the development shall be in compliance with all plans

prepared by the Applicant on July 16, 2015 and the Applicant's written statement dated July 24, 2015 on file in the City of Boulder Planning Department, except to the extent that the development may be modified by the conditions of this approval. Further, the Applicant shall ensure that the approved use is operated in compliance with the following restrictions:

a. The Applicant shall operate the business in accordance with the management plan dated June 15, 2015 which is attached to this Notice of Disposition.

b. The approved use shall be closed from 2:00 a.m. to 11:00 a.m. seven days per week.

c. Size of the approved use shall be limited to 1,759 square feet. The total number of indoor seats for the approved use shall not exceed the lesser of 85 seats or the maximum occupant load per IBC section 1004. The patio area will not exceed 900 square feet. All trash located within the outdoor dining area, on the restaurant property, and adjacent streets, sidewalks and properties shall be picked up and properly disposed of immediately after closing.

2. The Applicant shall not expand or modify the approved use, except pursuant to subsection 9-2-15(h), B.R.C. 1981.

After the first motion was made, the applicant, A. Bush, stated that it was important to them to have a unanimous vote. Want to be part of the solution, show that they can create some good modeling, and share the results of the energy performance over three years. It would be ultimately a better service to the community than it being divisive.

- **L. Payton** wanted to know if they could re-vote under Roberts Rule of Order and give the applicant his unanimous vote. To re-do the vote adding condition back in.
- **H. Pannewig** informed the board they would have to make a finding that the project would not meet the conditions of the site review standards without condition 5. Decision has to be based on the Site Review criteria.
- **L. May** said that Robert Rules allows you to retract a prior decision and you need a finding to retract the prior decision.
- **H. Pannewig** told the board they could retract a prior decision, if the board wants to make a different finding. But to impose the condition, you find that without the condition, the project does not meet the Site Review criteria.
- **J. Putnam** suggested the board pass a separate resolution, because the applicant demonstrated that they would be willing to do that and we pass the condition as well. Not retracting the original decision, but supplementing it. Sets wrong president to have condition 5.
- **B. Bowen** would support a retraction of previous vote.
- **L. May** we don't meet the criteria according to legal.
- **A. Brockett** stated the board add a supplemental motion stating to agree to an additional condition that the board supports.
- **H. Pannewig** suggested and "encouragement" to the project meets the spirit of condition 5.
- **L. May** said that the board would like to give the applicant a unanimous approval.

- **A. Brockett** suggested adding supplemental motion that the board accepts the applicant's offer to be bound by condition 5.
- **H. Pannewig** stated it is not a negation.
- **J. Putnam** asked if the board could pass a resolution that staff report back to us on what the plans and modeling says as a way of encouragement**.**
- **B. Bowen** said that bottom line the vote is complete. At this point, what the applicant is looking for and it met site review criteria.
- The board agreed that they could not pass a supplemental motion nor a resolution.

B. Public hearing and recommendation on the Annexation and Initial Zoning for the following properties:

1) 1385 Cherryvale Rd. (LUR2015-00061)
   Applicant/Owner: Mark and Tara Burkley
2) 1548 Old Tale Rd. (LUR2015-00062)
   Applicant/Owner: Porsche Elaine Young Revocable Trust
3) 5955 Baseline Rd. (LUR2015-00067)
   Applicant/Owner: Patton Lochridge

Staff Presentation:
C. Meschuk presented the item to the board.

Board Questions:
C. Meschuk answered questions from the board.

Public Hearing:
No one spoke.

Board Comments:
No board comments.

Motion:
On a motion by **L. Payton**, seconded by **J. Putnum**, the Planning Board voted **6-0** (**C. Gray** absent) to recommend to City Council approval of the three proposed annexations subject to the annexation conditions in the respective annexation agreements attached to the staff memorandum with initial zoning of RR-1 and RR-2 as specifically proposed for each property in the staff memo.

6. MATTERS FROM THE PLANNING BOARD, PLANNING DIRECTOR, AND CITY ATTORNEY

A. 746 12th Street Update

Staff Presentation:
L. Ellis presented the item to the board give the Planning Board notice that th 746 12th Street landmark designation and that there would be a hearing in September to pass an

ordinance which is a proposal for a motion to recommend land marking and allow for subdivision and modifications to the setback for that property. No formal hearing for Planning Board to make a recommendation, but invited to provide comments via email directly to Council or attend the hearing. The packet and memo will be provided next week.

Board Questions:
L. Ellis answered questions from the board.

B. BVCP Update (Survey and Other Items)
Staff Presentation:
L. Ellis and **J. Gatza** presented the item to the board.

Board Questions:
L. Ellis and **J. Gatza** answered questions from the board.

Board Comments:
<u>Key Issues:</u>
1. Does the survey cover the right policy areas?
a) Anything missing?
b) Anything not important?

2. Do you have suggestions regarding the cover letter or background information?

3. Do you have suggestions regarding questions, response choices, or graphics to include?

- **L. Payton** stated that there is good content on survey. The survey addresses important points. There are three policy areas. She would like to see how the community feels. One is how people feel about trying to be an incubator or Boulder trying to retain businesses as they grow. She would like to know what are the individual's vision for the form of the city (same, more urban, etc.). Finally, if one agrees with city climate action goals, what trade-offs should individuals be required to make. Suggested the tweaking the wording of Residential Management System to be more accurate to how things actually work. Under community benefit, want to add "reserve significant historical resources". On the neighborhood section, she likes it. She suggests on questions 17 & 18, add density and diversity to each question. Love the postcard that was mailed.
- **J. Gerstle** was wondering the letter/notice that mailed out, does it say that they are one of the few? Might increase response if they find out they are randomly selected.
- **L. May** said question #8 in growth and management livability, there are additional options that could tie relations between work and relation that could be added. In regards to question #9 will be more informative if put in context of jobs. Same for question 10. Presumes a level of knowledge.

- **J. Putnam** liked the survey and going in right direction. Inclusion of demographics is useful. Curious how mail vs. email will work. The survey focuses a lot on growth and changes. Doesn't focus on sustainability of the current form. Important for people to address if the current form is sustainable as well as growth questions.
- **B. Bowen** has a hesitation because hard to get reaction that leads to innovation. If you don't know what something is, then people won't want it (i.e. Sustainability). Can't answer questions they don't know anything about. Acknowledge the survey is not the only piece to inform where the community goes.
- **L. Ellis** stated they are being cautious to tell people it is one of many things we are doing in regards to BVCP.
- **L. May** stated that the survey could go out later than initially planned so there is some community education. Follow up survey later. Still possible to staff?
- **L. Ellis** said it is definitely a possibility. Could do a survey that is much more pointed.

7. DEBRIEF MEETING/CALENDAR CHECK

8. ADJOURNMENT

The Planning Board adjourned the meeting at 10:29 p.m.

APPROVED BY

_____
Board Chair

_____
DATE

INFORMATION PACKET
MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager
David Driskell, Executive Director of Community Planning & Sustainability
Susan Richstone, Deputy Director of Community Planning & Sustainability
Charles Ferro, Development Review Manager
Chandler Van Schaack, Planner II

Date: September 15, 2015

Subject: **Call-Up Item:** USE REVIEW (LUR2015-00069) to allow a 1,500 square foot restaurant use at 5530 Spine Rd. within the Alexan Flatirons/ Apex 5510 mixed-use development. The proposal includes a request to increase the parking reduction previously granted to the Alexan Flatirons/ Apex 5510 development from 7.1% to 9.5% for a total of 249 parking spaces to be provided where 275 are required pursuant to the Residential – High 5 (RH-5) zoning standards.

EXECUTIVE SUMMARY

On August 27, 2015, the Planning Board unanimously approved the above-referenced application with conditions as provided in the attached Notice of Disposition (**Attachment A)**, finding the project consistent with the relevant criteria of section 9-2-15, "Use Review," B.R.C. 1981. Approval of the application would allow a 1,500 square foot restaurant use at 5530 Spine Rd. within the Alexan Flatirons/ Apex 5510 mixed-use development. The proposal includes a request to increase the parking reduction previously granted to the Alexan Flatirons/ Apex 5510 development from 7.1% to 9.5% for a total of 249 parking spaces to be provided where 275 are required pursuant to the Residential – High 5 (RH-5) zoning standards.

Pursuant to section 9-6-1, "Schedule of Permitted Land Uses," B.R.C. 1981, a Use Review is required for "*Restaurants, brewpubs, and taverns over 1,000 square feet in floor area, or which close after 11 p.m., or with an outdoor seating area of 300 square feet or more"* to operate in the RH-5 zone district. The Use Review criteria are found in section 9-2-15(e), B.R.C. 1981. The trigger in this case is the floor area proposed greater than 1,000 square feet. **Attachment A** contains the Planning Board Notice of Disposition with associated conditions of approval and management plan for the restaurant use. **Attachment B** contains the approved plans associated with the Use Review and **Attachment C** includes the staff responses to the Use Review criteria.

The staff memorandum to Planning Board, its attachments, audio from the meeting and other related background materials are available on the city website at this web link (click on *'2015'* → *'08 AUG'* → *'08.27.2015'*)

The Planning Board decision is subject to City Council call-up within 30 days concluding on September 26, 2015. City Council is scheduled to consider this application for call-up at the September 15, 2015 public meeting.

FISCAL IMPACT
Staff time: The Land Use Review application has been processed through the provisions of a standard review process and is within normal staff work plans.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS
Economic: None identified.
Environmental: None identified.
Social: None identified.

BACKGROUND
Existing Site/Site Context
The proposed restaurant space is located at 5530 Spine Rd. within the Alexan Flatirons/ Apex 5510 mixed-use development, located within the Gunbarrel neighborhood, at the terminus of Spine Road (See **Figure 1** below for a Vicinity Map). The Alexan Flatirons/ Apex 5510 development was originally approved by Planning Board in November 2012, and includes 13 detached structures comprised of 232 multi-family residential dwelling units, a 2,500 square foot clubhouse building and a 1,500 square foot tenant space designed for retail or restaurant use. The Planning Board packet is available online HERE (click '2012' → '11 NOV' → '11.15.2012_PB_Packet') The project site is comprised of approximately 8.6 acres and is zoned Residential High-5 (RH-5), defined as:

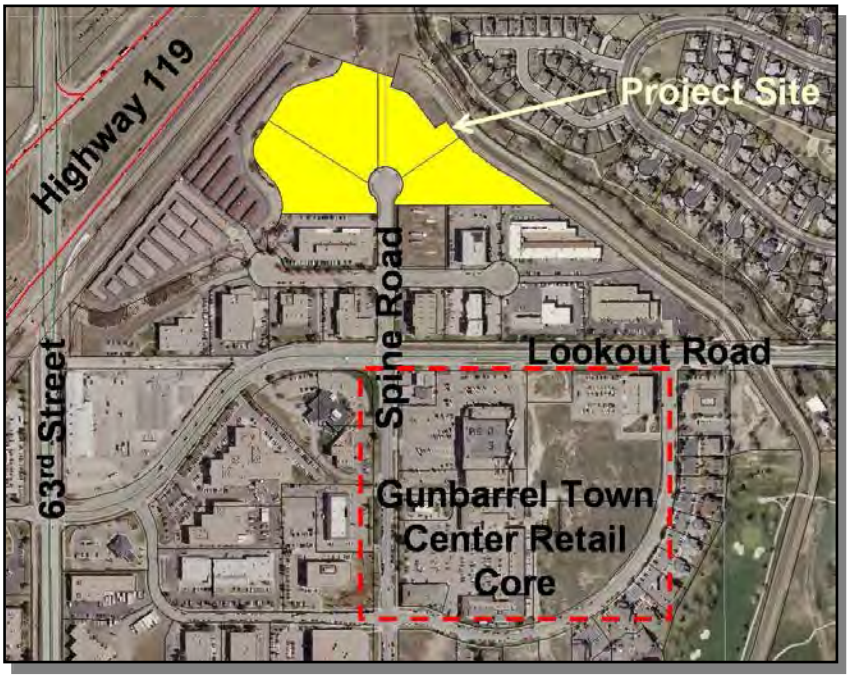


Figure 1: Vicinity Map

> "*High density residential areas primarily used for a variety of types of attached residential units, including, without limitation, apartment buildings, and where complementary uses may be allowed*" (section 9-5-2(c)(1)(F), B.R.C. 1981.

Uses adjacent to the site include light industrial uses, including wholesale and manufacturing uses directly adjacent to the south as well as a public storage facility adjacent to the west across a wetland buffer. Although not immediately adjacent to the site, single family residential is in near

proximity to the northeast. The Gunbarrel Center development, approved by Planning Board in February 2012, is located within a few blocks of the site to the south, across Lookout Road. The Gunbarrel Center development is a mixed-use, pedestrian-oriented development comprised of office, retail and residential uses designed to serve as the core of the Gunbarrel Neighborhood.

PROPOSED PROJECT

The proposal is to allow for a restaurant use to occupy the 1,500 square foot tenant space designed for retail or restaurant use within the Alexan Flatirons/ Apex 5510 development (Site Review case #LUR2012-00039). See **Figure 2** for a picture of the existing tenant space and **Figure 3** below for the previously approved site plan showing the location of the space within the development. No changes to the site or building plans are proposed. The proposed restaurant, "Kafe Urban," includes 23 indoor seats and 16 outdoor seats, and would function as a coffee shop and wine bar. The proposed hours of operation are from 6:00 am – 10:00 pm, Monday – Friday, 7:00 am – 10:00 pm, Saturdays and 7:00 am – 9:00 pm Sundays. The proposal includes a request to increase the parking reduction previously granted to the Apex/ Alexan Flatirons development from 7.1% to 9.5% to allow for a total of 249 parking spaces to be provided where 275 are required. This parking reduction request stems from the proposed change in use, which increases the required parking for the 1,500 sq. ft. tenant space from 5 parking spaces (1 space per 300 sq. ft. of floor area for retail uses) to 12 parking spaces (1 parking space per 3 indoor seats plus 1 parking space per 3 outdoor seats for those seats exceeding 20 percent of the indoor seats).

Figure 2: Existing Tenant Space

Please see **Attachment B** for Applicant's Proposed Plans and Management Plan. These commitments have also been memorialized in the recommended conditions of approval included in the attached Notice of Disposition. If this application is approved, any future changes to the conditions of approval, the management plan or the operational characteristics would require a new Use Review.

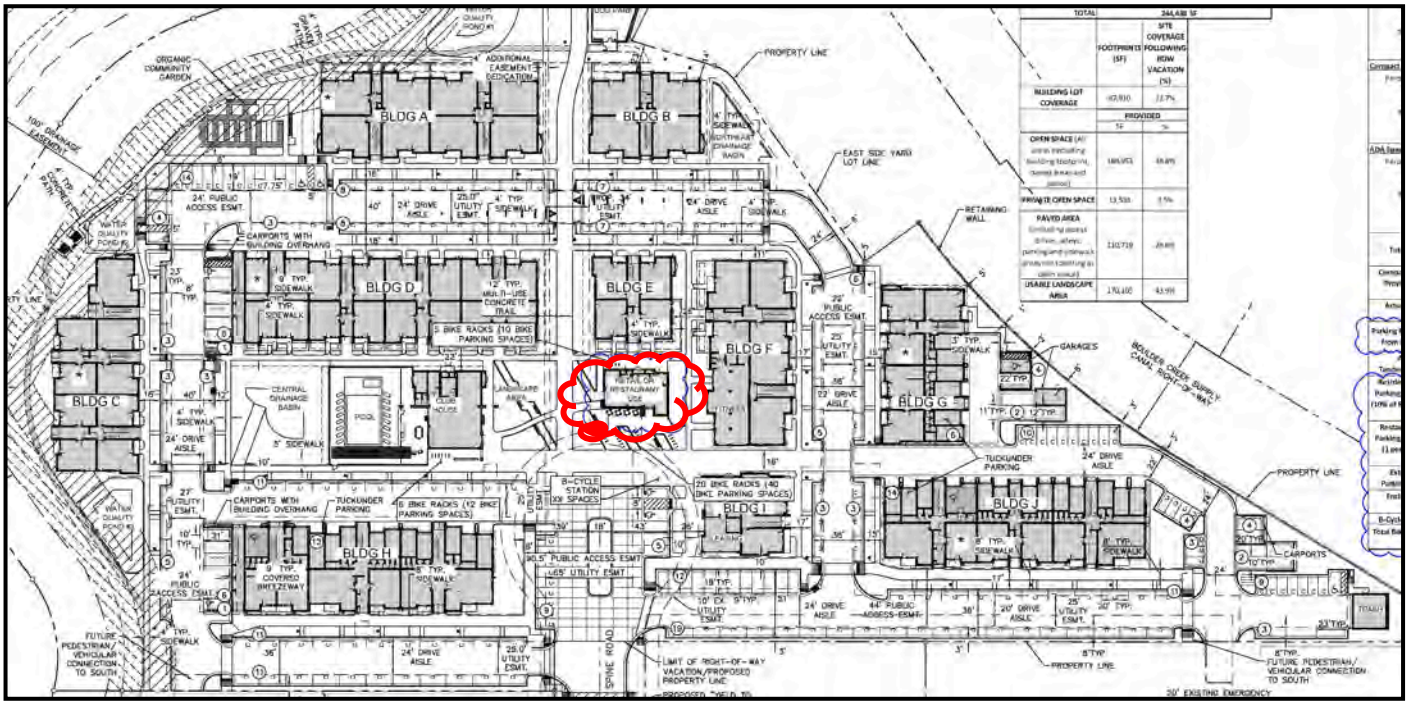


Figure 3: Site Plan showing location of existing tenant space proposed for new restaurant use

Public Comment and Participation
Required public notice was given in the form of written notification mailed to all property owners within 600 feet of the subject property and a sign posted on the property for at least 10 days. Hence, all notice requirements of section 9-4-3, "Public Notice Requirements," B.R.C. 1981 have been met.

ANALYSIS
Staff finds the proposal consistent with the criteria for Use Review set forth in Section 9-2-15(e), B.R.C. 1981. Refer to **Attachment C** for a full criteria analysis.

Planning Board Hearing
At their Aug. 27, 2015 public hearing, the Planning Board unanimously approved the subject Use Review with the recommended conditions of approval included in the staff memorandum to the Board. There was one public comment in support of the project. Board member Gray also mentioned that she was supportive of the proposed Management Plan as a means of mitigating potential impacts.

Consistent with the land use code section 9-4-4(c), B.R.C. 1981, if the City Council disagrees with the decision of the Planning Board, it may call up the application for a public hearing within a 30-day call up period, which expires on Sept. 26, 2015. The City Council may consider this application for call-up at the Sept. 15, 2015 public meeting.

ATTACHMENTS:

A. Planning Board Notice of Disposition dated August 27, 2015
B. Project Plans and Management Plan
C. Staff's Analysis of Use Review Criteria

CITY OF BOULDER
Community Planning & Sustainability

1739 Broadway, Third Floor • P.O. Box 791, Boulder, CO 80306-0791
phone 303-441-1880 • fax 303-441-3241 • web www.bouldercolorado.gov

CITY OF BOULDER PLANNING BOARD NOTICE OF DISPOSITION

You are hereby advised that on August 27, 2015 the following action was taken by the Planning Board based on the standards and criteria of the Land Use Regulations as set forth in Chapter 9-2, B.R.C. 1981, as applied to the proposed development.

DECISION:	**APPROVED WITH CONDITIONS**
PROJECT NAME:	**ALEXAN FLATIRONS/APEX 5510**
DESCRIPTION:	**USE REVIEW to allow a 1,500 square foot restaurant use within Alexan Flatirons/Apex 5510 mixed-use development.**
LOCATION:	**5510 SPINE RD**
COOR:	**N11E03**
LEGAL DESCRIPTION:	**Lots 8, 9, 10 and 11, The Greens Industrial Park, County of Boulder, State of Colorado**
APPLICANT:	**MEAGHAN TURNER FOR KIMLEY HORN**
OWNER:	**BOULDER CAF II, LLC**
APPLICATION:	**Use Review, LUR2015-00069**
ZONING:	**RH-5**
CASE MANAGER:	**Chandler Van Schaack**
VESTED PROPERTY RIGHT:	**NO; the owner has waived the opportunity to create such right under Section 9-2-19, B.R.C. 1981**

APPROVED MODIFICATIONS FROM THE LAND USE REGULATIONS:
Parking reduction of 9.5% pursuant to 9-9-6(f)(6), B.R.C. 1981

This decision may be called up before the City Council on or before **September 28, 2015**. If no call-up occurs, the decision is deemed final on **September 29, 2015.**

FOR CONDITIONS OF APPROVAL, SEE THE FOLLOWING PAGES OF THIS DISPOSITION.

IN ORDER FOR A BUILDING PERMIT APPLICATION TO BE PROCESSED FOR THIS PROJECT, A SIGNED DEVELOPMENT AGREEMENT AND SIGNED FINAL PLANS MUST BE SUBMITTED TO THE PLANNING DEPARTMENT WITH DISPOSITION CONDITIONS AS APPROVED SHOWN ON THE FINAL PLANS, IF THE DEVELOPMENT AGREEMENT IS NOT SIGNED WITHIN NINETY (90) DAYS OF THE FINAL DECISION DATE, THE PLANNING BOARD APPROVAL AUTOMATICALLY EXPIRES.

Pursuant to Section 9-2-12 of the Land Use Regulations (Boulder Revised Code, 1981), the applicant must begin and substantially complete the approved development within three years from the date of final approval. Failure to "substantially complete" (as defined in Section 9-2-12, Boulder Revised Code 1981) the development within three years shall cause this development approval to expire.

At its public hearing on August 27, 2015 the Planning Board APPROVED the request with the following motion:

On a motion by **B. Bowen** seconded by **J. Putnam** the Planning Board voted 7-0 to approve the Use Review application LUR2015-00069, adopting the staff memorandum as findings of fact and subject to the recommended conditions of approval.

CONDITIONS OF APPROVAL

1. The Applicant shall ensure that the **development shall be in compliance with all approved plans** prepared by the Applicant on August 3, 2015 on file in the City of Boulder Planning Department, except to the extent that the development may be modified by the conditions of this approval. Further, the Applicant shall ensure that the approved use is operated in compliance with the following restrictions:

   a. The Applicant shall operate the business in accordance with the Management Plan dated August 3, 2015 which is attached to this Notice of Disposition.

   b. Size of the restaurant use shall be limited to 1,500 square feet, with a total of 23 interior seats and 16 outdoor seats. All trash located within the outdoor seating area, on the tavern property and adjacent streets, sidewalks and properties shall be picked up and properly disposed of immediately after closing.

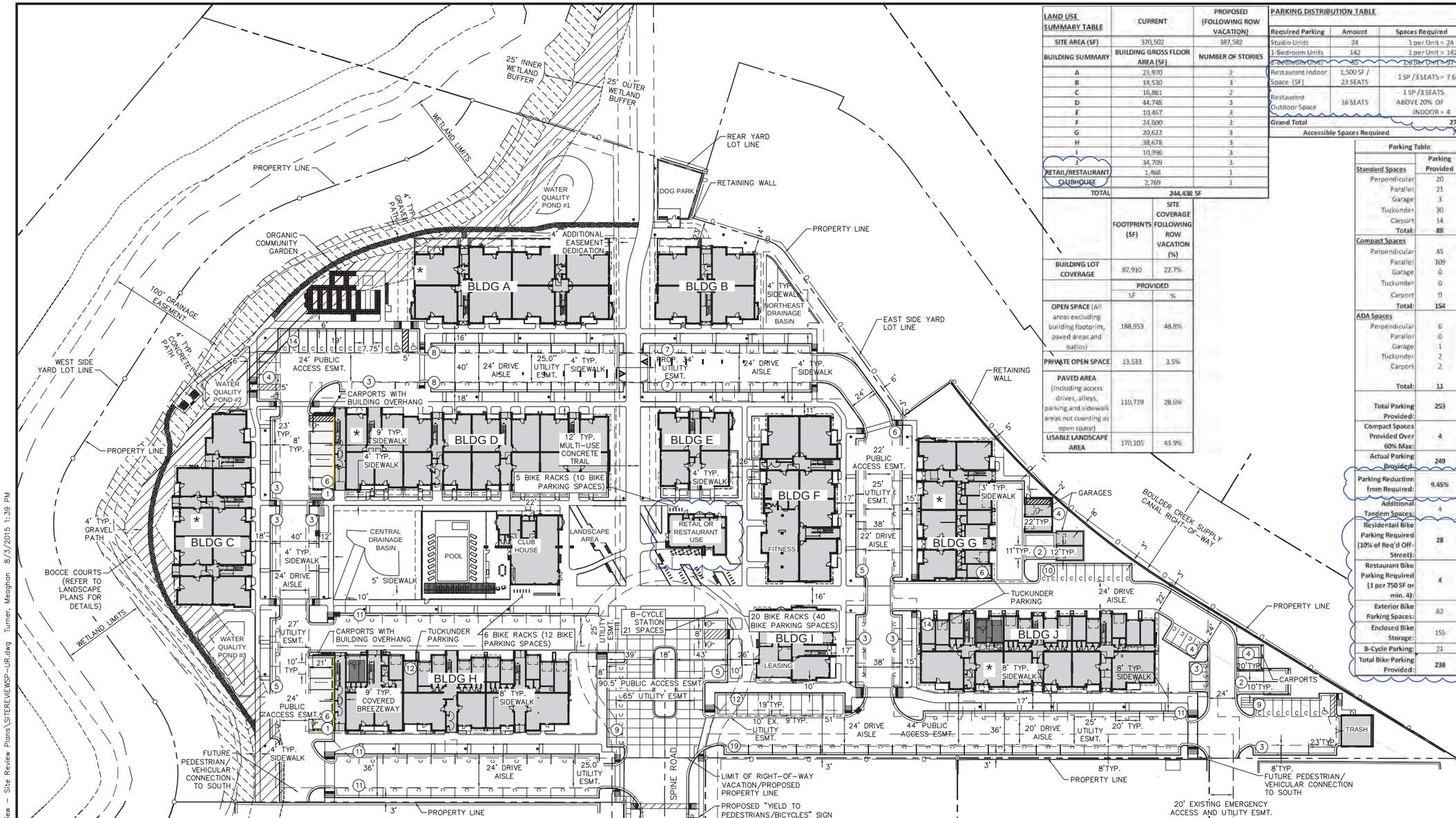
   c. The approved restaurant use shall be closed from 10:00 p.m. to 6:00 a.m., Mon. – Fri., before 7:00 a.m. and after 10:00 p.m. on Saturdays, and before 7:00 a.m. and after 9:00 p.m. Sundays.

2. The Applicant **shall not expand or modify the approved use**, except pursuant to Subsection 9-2-15(h), B.R.C. 1981.

3. The Applicant shall **comply with all previous conditions** contained in any previous approvals, except to the extent that any previous conditions may be modified by this approval, including, but not limited to, the following: the Development Agreement recorded at Reception No. 03314182 on May 23, 2013 and the Subdivision Agreement recorded at Reception No. 03336953 in the records of the Boulder County Clerk and Recorder.

4. This **approval shall be limited to Kafe Urban**, operated consistent with the Applicant's Management Plan dated August 3, 2015. Any changes in ownership shall be subject to the review and approval of the Planning Director. The purpose of such review shall be to inform such subsequent user of this space that it will be required to operate the restaurant in compliance with the terms of this approval.

By:_____
David Driskell, Secretary of the Planning Board



LAND USE SUMMARY TABLE	CURRENT	PROPOSED (FOLLOWING ROW VACATION)
SITE AREA (SF)	370,502	387,582
BUILDING SUMMARY	BUILDING GROSS FLOOR AREA (SF)	NUMBER OF STORIES
A	23,970	2
B	14,530	3
C	16,881	2
D	44,748	3
E	10,467	3
F	24,600	3
G	20,622	3
H	38,678	3
I	10,996	3
J	34,709	3
RETAIL/RESTAURANT	1,468	1
CLUBHOUSE	2,769	1
TOTAL	244,438 SF	

	FOOTPRINTS (SF)	SITE COVERAGE FOLLOWING ROW VACATION (%)
BUILDING LOT COVERAGE	87,910	22.7%
	PROVIDED	
	SF	%
OPEN SPACE (All areas excluding building footprint, paved areas and patios)	188,953	48.8%
PRIVATE OPEN SPACE	13,533	3.5%
PAVED AREA (Including access drives, alleys, parking and sidewalk areas not counting as open space)	110,719	28.6%
USABLE LANDSCAPE AREA	170,105	43.9%

PARKING DISTRIBUTION TABLE

Required Parking	Amount	Spaces Required
Studio Units	24	1 per Unit = 24
1-Bedroom Units	142	1 per Unit = 142
2-Bedroom Units	45	1.5 per Unit = 67
Restaurant Indoor Space (SF)	1,500 SF / 23 SEATS	1 SP /3 SEATS = 7.6
Restaurant Outdoor Space	16 SEATS	1 SP /3 SEATS ABOVE 20% OF INDOOR = 4
Grand Total		275
Accessible Spaces Required		7

Parking Table

	Parking Provided
Standard Spaces	
Perpendicular	20
Parallel	21
Garage	3
Tuckunder	30
Carport	14
Total:	88
Compact Spaces	
Perpendicular	45
Parallel	109
Garage	0
Tuckunder	0
Carport	0
Total:	154
ADA Spaces	
Perpendicular	6
Parallel	0
Garage	1
Tuckunder	2
Carport	2
Total:	11
Total Parking Provided:	253
Compact Spaces Provided Over 60% Max:	4
Actual Parking Provided:	249
Parking Reduction from Required:	9.45%
Additional Tandem Spaces:	4
Residentail Bike Parking Required (10% of Req'd Off-Street):	28
Restaurant Bike Parking Required (1 per 750 SF or min. 4):	4
Exterior Bike Parking Spaces:	62
Enclosed Bike Storage:	155
B-Cycle Parking:	21
Total Bike Parking Provided:	238

NO.	REVISION	BY	DATE	APPR.
1	CITY COMMENTS	EGN	8/3/15	MMT

Kimley»Horn
2015 KIMLEY-HORN AND ASSOCIATES, INC.
4582 S. Ulster Street, Suite 1500
Denver, Colorado 80237 (303) 228-2300

DESIGNED BY: MMT
DRAWN BY: DBH
CHECKED BY: MMT
DATE: 7/6/2015

ALEXAN FLATIRONS / APEX 5510
USE REVIEW
CITY OF BOULDER, STATE OF COLORADO
SITE PLAN

PRELIMINARY
FOR REVIEW ONLY
NOT FOR CONSTRUCTION
Kimley»Horn
Kimley-Horn and Associates, Inc.

PROJECT NO. 096253000
SHEET 1

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LEGEND

- EASEMENT
- PROPERTY LINE
- INNER WETLAND BUFFER
- OUTER WETLAND BUFFER
- WETLAND LIMITS
- EXISTING WIRE FENCE
- (X) PARKING SPACE COUNT
- PEDESTRIAN FOCUSED CROSSINGS OF PRIVATE ROADWAY
- • PEDESTRIAN LIGHT (REFER TO LANDSCAPE PLAN)
- * ACCESSIBLE UNITS (TYPE A UNITS ON FIRST FLOOR)

811 Know what's below. Call before you dig.

NOTES:

1. BUILDING SQUARE FOOTAGE SHOWN IS APPROXIMATE. REFER TO ARCHITECTURAL PLANS FOR DETAILS.
2. INTERNAL BUILDING FEATURES SHOWN FOR REFERENCE ONLY AND SUBJECT TO CHANGE. REFER TO ARCHITECTURAL PLANS.
3. INTERNAL PROPERTY LINES TO BE REMOVED BY SEPARATE PROCESS.
4. ROADWAY DIMENSIONS SHOWN ARE TO FLOW LINE.
5. DIMENSIONS SHOWN TO PROPERTY LINE ARE TO BACK OF CURB OR OUTER EDGE OF STRUCTURE.
6. DIMENSIONS SHOWN TO BUILDING FACE AND FROM BACK OF CURB.
7. REFER TO PAVING PLAN FOR ADDITIONAL INFORMATION.
8. EASEMENTS SHOWN HEREON TO BE DEDICATED BY PLAT BY SEPARATE APPLICATION.
9. EITHER RETAIL OR RESTAURANT USE TO BE ALLOWED AS A PART OF APPLICATION FOR USE REVIEW.

TYPICAL PARKING STALL DIMENSIONS:

STANDARD PERPENDICULAR: 9' X 19'

COMPACT PERPENDICULAR: 7.75' X 15'

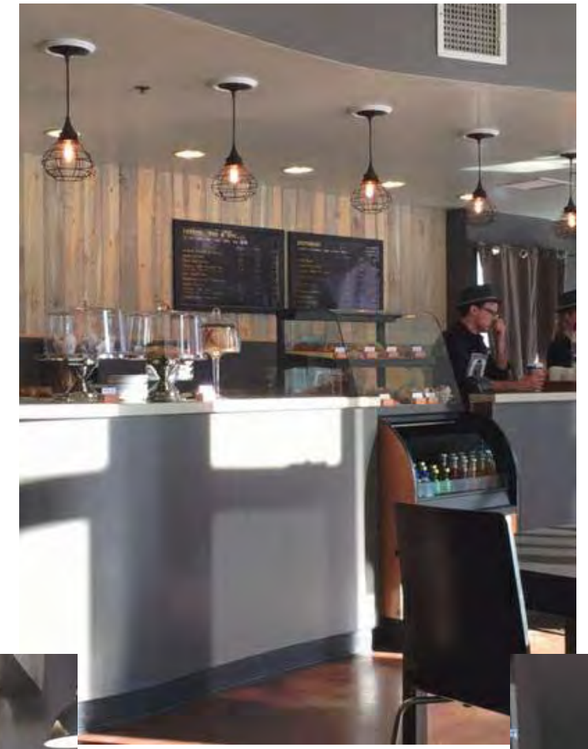
STANDARD PARALLEL: 8' X 23'

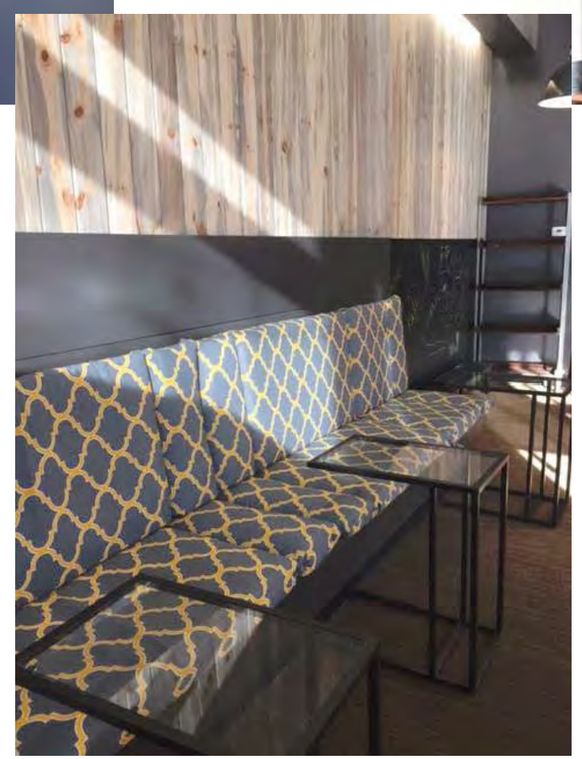
COMPACT PARALLEL: 8' X 20'

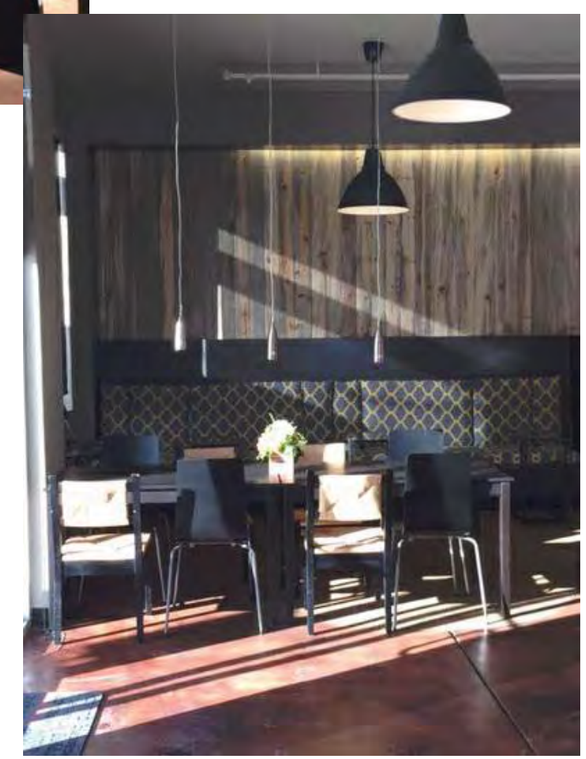
CARPORTS & GARAGES: AS NOTED ON PLAN

GRAPHIC SCALE IN FEET 0 20 40 80

NORTH







Know what's below. Call before you dig.

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NO.	REVISION	BY	DATE	APPR.

Kimley»Horn
2015 KIMLEY-HORN AND ASSOCIATES, INC.
4582 S. Ulster Street, Suite 1500
Denver, Colorado 80237 (303) 228-2300

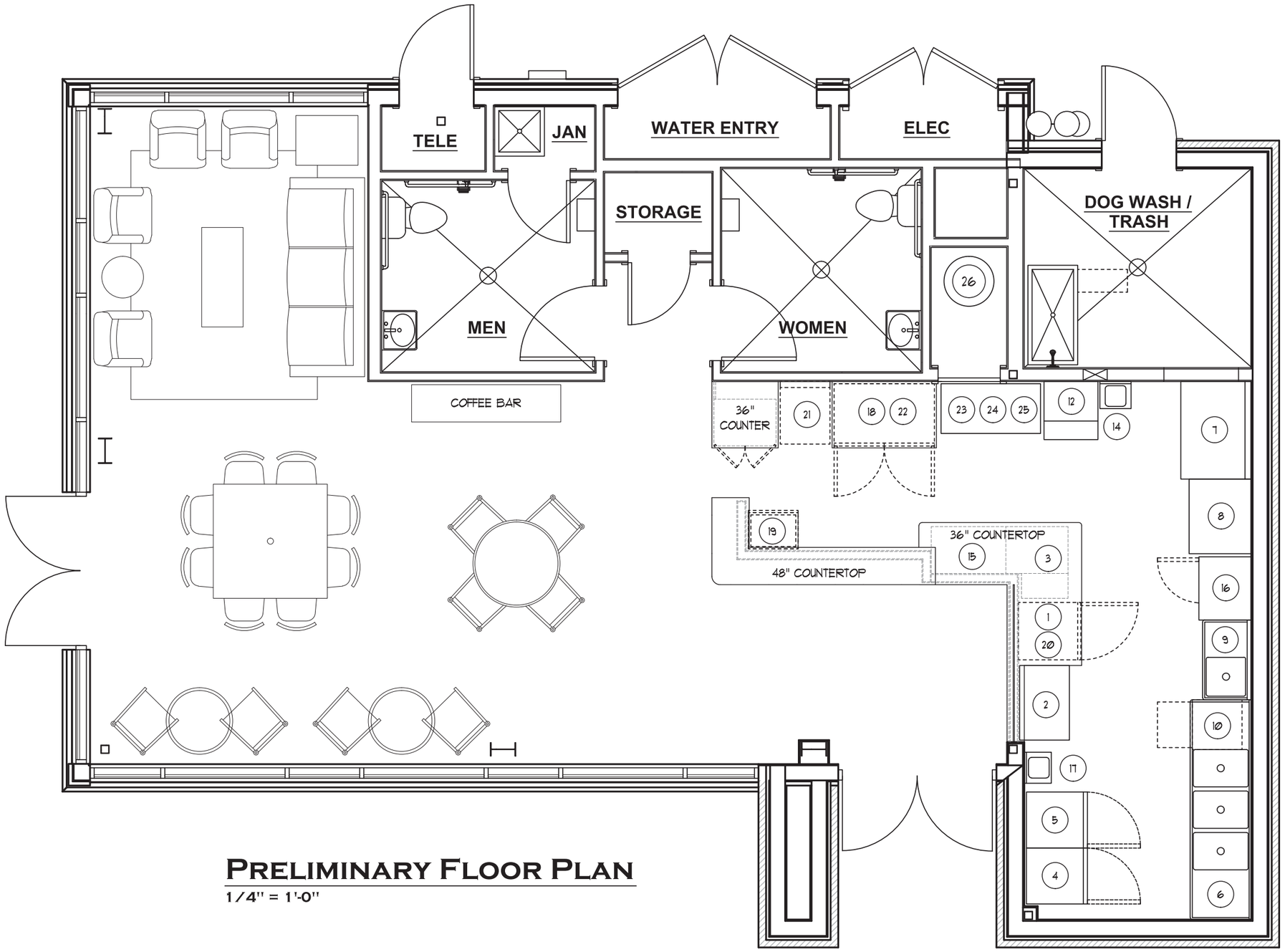
DESIGNED BY: MMT
DRAWN BY: DBH
CHECKED BY: MMT
DATE: 7/6/2015

ALEXAN FLATIRONS / APEX 5510
USE REVIEW
CITY OF BOULDER, STATE OF COLORADO
KAFE URBAN - INTERIOR IMAGERY

PRELIMINARY
FOR REVIEW ONLY
NOT FOR CONSTRUCTION
Kimley»Horn
Kimley-Horn and Associates, Inc.

PROJECT NO.
096253000

SHEET
2



Kafe Urban

5510 Apex, Gunbarrel, CO

Equipment Legend

1. Espresso Machine (220v)
2. Gelato Display
3. Bakery Display
4. Single Refrigerator
5. Single Freezer
6. 3 Compartment Sink
7. 48" Sandwich Prep
8. 30" Prep Table
9. Prep Sink
10. Dishwashing Machine
11. --
12. Ice Machine
13. --
14. Dump Sink
15. Point of Sale (Mini IPad / Cash Drawer)
16. Convection Oven (220v)
17. Hand Sink
18. 48" Under Counter Refrigerator
19. Bar Ice Box
20. 27" Under Counter Refrigerator
21. Kegerator
22. Countertop Brewing Equipment
23. Panini Press machine (220v)
24. Countertop Cooking Equipment
25. 48" Stainless Steel Mobile Table
26. Hot Water Heater

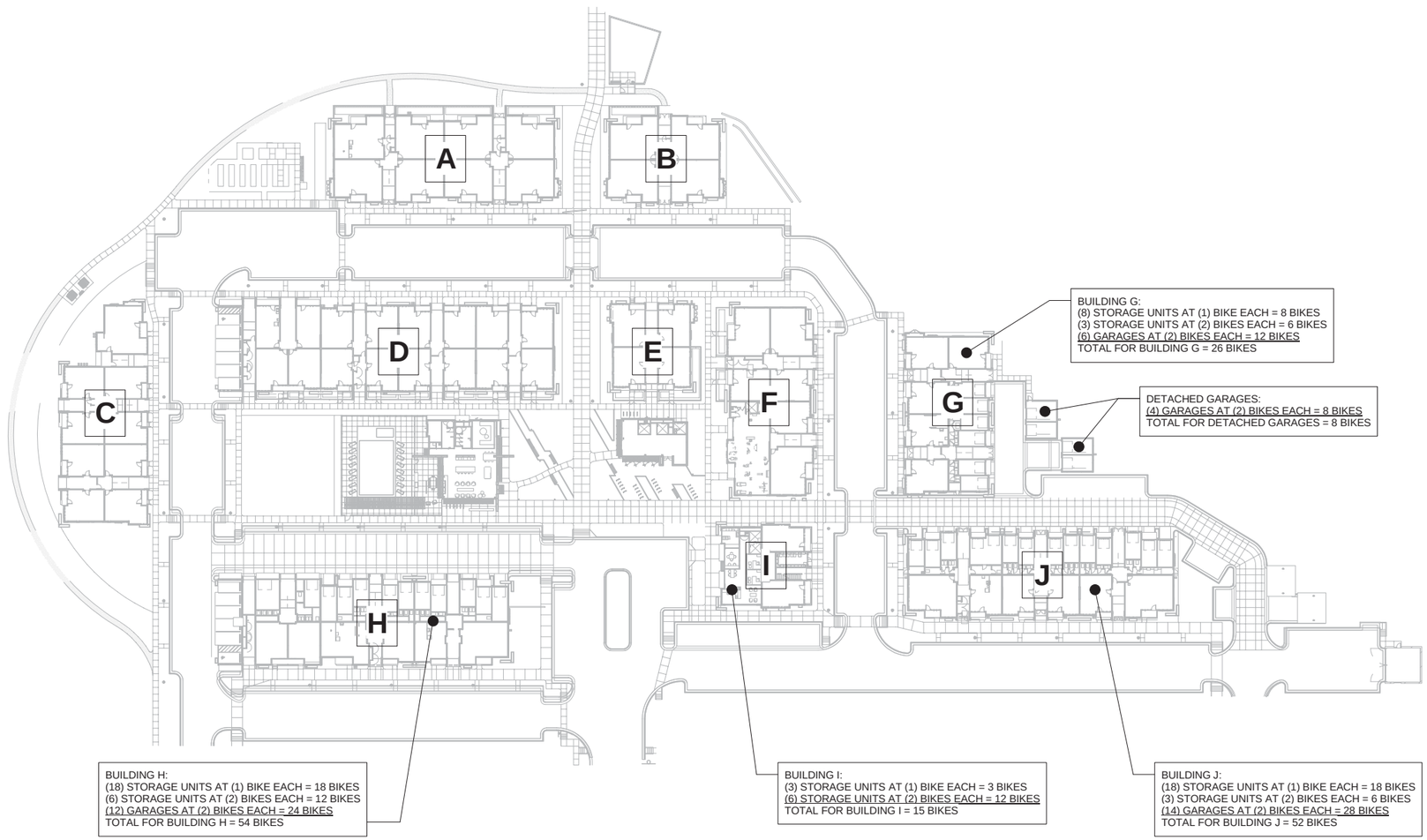
Preliminary Floor Plan

1/4" = 1'-0"

August 3, 2015

Red Pencil Architecture

COVERED BIKE STORAGE LEGEND	
BUILDING	PROVIDED BIKE STORAGE
H	54
I	15
G	26
J	52
DETACHED GARAGES	8
TOTAL	155



1 COVERED BIKE STORAGE

1" = 60'-0"

PROJECT #1122

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CASE NUMBER: LUR2012-

ALEXAN FLATIRONS

TRAMMELL CROW RESIDENTIAL
BOULDER, COLORADO

JG JOHNSON ARCHITECTS
COMMITMENT • EXPERIENCE • DESIGN
1600 Wynkoop Street, Suite 100
Denver, Colorado 80202
www.jgjohnson.com
Fax 303.892.7059
Studio 303.892.7062

ISSUES/REVISIONS

Date	Description
8/3/2015	RFI 386

SHEET TITLE

COVERED BIKE STORAGE

SHEET NUMBER

ASK-004

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PRINTED ON 8/3/2015 10:12:25 AM

5530 Spine Road – Kafe Urban - Management Plan

August 3, 2015

Kafe Urban Background

Kafe Urban is a concept that has a modern spin on an Italian coffee shop and wine bar. Serving Exclusively Lavazza Coffee from Italy and a global menu of wine, beer and spirits. This Boulder location (Gunbarrel) is the 2nd location of the Kafe Urban concept as the principals have identified this area needing an upscale contemporary Kafe for lunch and early small plate meals as well as the early morning coffees. Principals of Kafe Urban also operate Prospects (Longmont) Urban Thai Café, a modern spin on a traditional Thai restaurant. A 2nd location for Urban Thai will be located at the just opened Hyatt Place Hotel in Boulder.

Hours of Operation

Monday – Friday:	6am – 10pm
Saturday:	7am – 10pm
Sunday:	7am – 9pm

Parking

Employees will be encouraged to use alternate modes of transportation available to the Project. Routes 205 and J are available for easy access to the project in addition to the bike and pedestrian facilities provided on the site. There are an excess of bike parking spaces easily accessible for both employees and guests at the front door. For those that do use vehicles, there are parking options adjacent to the entry to the project and throughout the site.

Deliveries

Deliveries will be coordinated to be made at off-peak times, once or twice a week so as to mitigate disruption to the residents or users of the Kafe.

Trash and Recycling

Trash and recycling is located at the eastern edge of the site. Glass recycling will be emptied prior to 10pm to minimize noise impact to the residents.

Noise

Background music may be played on the patio at low volume levels during regular business hours of operation.

Cleanliness of Premises and Adjacent Right-of-Way

Sweeping/cleaning of the patio area and premises is conducted on a daily basis or more frequently if needed.

Drug and Alcohol Policy

Kafe Urban will abide by State and Local requirements and will undergo training and establish alcohol policies consistent with the Boulder Police Department and other state-certified guidelines for safe and controlled consumption of alcohol on the premises by patrons of at least 21 years of age.

Strategies to Avoid Loitering

We will help direct any subjects loitering to move to a better area if they become a nuisance to our clients. We will also work with the property management of the residential community to provide a unified front on this concern. If necessary, we will utilize the services of the Boulder Police Department.

Neighborhood Outreach and Methods of Future Communication

The principals Edward Vanegas and Paul Chansingthong of Kafe Urban can be reached by email address KafeUrban@gmail.com and by calling 303-719-7916.

Dispute Resolution Strategies

We will uphold our performance as a good neighbor and will strive to prevent any disputes. Should a dispute with the surrounding neighborhoods arise, the owner or manager will participate in discussions and work to create resolutions to the problems cited. An employee meeting or notification will then be scheduled to implement the solutions. Irreconcilable differences will be handled first through mediation, then arbitration, then court proceedings as necessary.

USE REVIEW CRITERIA
Section 9-2-15(e), B.R.C. 1981

Criteria for Review: No use review application will be approved unless the approving agency finds all of the following:

✓ (1) Consistency with Zoning and Non-Conformity: The use is consistent with the purpose of the zoning district as set forth in Section 9-5-2(c), "Zoning Districts Purposes," B.R.C. 1981, except in the case of a non-conforming use;

The project site is located within the RH-5 (Residential – High 5) zone district, which is defined in section 9-5-2(c)(1)(F) of the Boulder Revised Code as "High density residential areas primarily used for a variety of types of attached residential units, including without limitation, apartment buildings, and where complementary uses may be allowed."

Pursuant to the use standards for the RH-5 zone district, "Restaurants, brewpubs, and taverns over 1,000 square feet in floor area, or which close after 11 p.m., or with an outdoor seating area of 300 square feet or more" are allowed pursuant to a Use Review.

_____ (2) Rationale: The use either:

✓ (A) Provides direct service or convenience to or reduces adverse impacts to the surrounding uses or neighborhood;

The proposed project is located within the recently approved development previously known as the Alexan at Gunbarrel Flats, now known as "Alexan Flatirons/ Apex 5510." The development, which is currently under construction, consists of 11 residential buildings with a total of 232 units comprised of a mix of studios, 1-bedroom, and 2-bedroom units, as well as a detached, 2,500 square foot clubhouse and a 1,500 square foot building designed for retail or restaurant uses. The current proposal to allow for a restaurant use within the approved 1,500 sq. ft. retail space will provide a direct service to the surrounding area by providing a centrally-located place where residents can walk to get coffee, baked goods and other food and drink items.

N/A (B) Provides a compatible transition between higher intensity and lower intensity uses;

N/A (C) Is necessary to foster a specific city policy, as expressed in the Boulder Valley Comprehensive Plan, including, without limitation, historic preservation, moderate income housing, residential and non-residential mixed uses in appropriate locations, and group living arrangements for special populations; or

N/A (D) Is an existing legal non-conforming use or a change thereto that is permitted under subsection (e) of this section;

✓ 3) Compatibility: The location, size, design, and operating characteristics of the proposed development or change to an existing development are such that the use will be reasonably compatible with and have minimal negative impact on the use of nearby properties or for residential uses in industrial zoning districts, the proposed development reasonably mitigates the potential negative impacts from nearby properties;

The location, size and design of the building in which the proposed use would be located were approved as part of the original Site Review (LUR2012-00039), and no changes to the building are proposed as part of this review. In terms of the operating characteristics, the proposed tenant, "Kafe Urban," functions as a coffee shop and wine bar. The proposed hours of operation are from 6:00 am – 10:00 pm, Monday – Friday, 7:00 am – 10:00 pm, Saturdays and 7:00 am – 9:00 pm Sundays. The proposed restaurant would include a total of 23 interior seats and 16 outdoor patio seats. Given that the operating characteristics will be memorialized by the Management Plan in order to ensure predictability as well as the fact that the building location, size and design have already been approved, the use will be compatible with and have minimal negative impact on the surrounding development.

The proposal includes a request to increase the parking reduction previously granted to the Alexan Flatirons/ Apex 5510 development from 7.1% to 9.5% to allow for a total of 249 parking spaces to be provided where 275 would be required following the proposed restaurant conversion per the Residential – High 5 (RH-5) zoning standards. Given the location of the project site in proximity to the public transit (RTD route 205 location at Spine and Lookout roads, within a quarter of a mile from the site) as well as the multi-use path connection to the northeast, pedestrian connection along the southern property line and the future roadway connections to the south on both the east and west sides of the site, the approved development strongly supports multi-modal transit opportunities such that the request for an increase in the existing parking reduction will have a minimal negative impact on the use of nearby properties. In addition, the original development approval includes five designated parking spaces for the subject building, and additional on-street parking exists throughout the development. There are 40 bicycle parking spaces located immediately south of the restaurant space, as well as a recently approved B-Cycle Station to be installed slightly further to the south. Overall, the proposed increase in the existing parking reduction from 7.1% to 9.5% is in keeping with the intent of the Alexan Flatirons/ Apex 5510 development to create a successful urban infill project focusing on pedestrians and connectivity and also meets the broad goals of the Gunbarrel Center Community Plan (GCCP) to create a vibrant, easily accessible, pedestrian-oriented, mixed-use neighborhood. As such, the proposed use will be reasonably compatible with and have minimal negative impact on the use of nearby properties.

✓ (4) Infrastructure: As compared to development permitted under Section 9-6-1, "Schedule of Permitted Uses of Land," B.R.C. 1981, in the zone, or as compared to the existing level of impact of a non-conforming use, the proposed development will not significantly adversely affect the infrastructure of the surrounding area, including, without limitation, water, wastewater, and storm drainage utilities and streets;

As mentioned above, the proposal is to allow for a restaurant use in the building previously approved for retail. The building was approved as part of the larger Alexan at Gunbarrel Flats

development, the infrastructure for which is still currently under construction and is intended to serve the 11 residential buildings and 2 commercial buildings therein. The proposed change in use will not significantly affect the infrastructure of the surrounding area.

✓ (5) Character of Area: The use will not change the predominant character of the surrounding area or the character established by adopted design guidelines or plans for the area; and

The proposed change in use is in keeping with the predominant character of the area as established by the approved Site Review and the Gunbarrel Community Center Plan (GCCP), the principle goal of which is to create a vibrant, easily accessible, pedestrian-oriented, mixed-use neighborhood. The design of the retail space was intended to serve the residents of the development by providing a neighborhood-scale, walkable commercial establishment where residents could purchase basic goods.

✓ (6) Conversion of Dwelling Units to Non-Residential Uses: There shall be a presumption against approving the conversion of dwelling units in the residential zoning districts set forth in Subsection 9-5-2(c)(1)(a), B.R.C. 1981, to non-residential uses that are allowed pursuant to a use review, or through the change of one non-conforming use to another non-conforming use. The presumption against such a conversion may be overcome by a finding that the use to be approved serves another compelling social, human services, governmental, or recreational need in the community including, without limitation, a use for a day care center, park, religious assembly, social service use, benevolent organization use, art or craft studio space, museum, or an educational use.

No dwelling units are being converted to non-residential uses as part of this proposal.

PARKING REDUCTION CRITERIA
Section 9-9-6(f)(3), B.R.C. 1981

Parking Reduction Criteria: Upon submission of documentation by the applicant of how the project meets the following criteria, the city manager may approve reductions of up to and including twenty-five percent of the parking requirements of this section (see Tables 9-1, 9-2, 9-3 and 9-4), if the manager finds that:

N/A (A) The parking needs of the use will be adequately served through on-street parking or off-street parking;

N/A (B) A mix of residential uses with either office or retail uses is proposed, and the parking needs of all uses will be accommodated through shared parking;

N/A (C) If joint use of common parking areas is proposed, varying time periods of use will accommodate proposed parking needs; or

_✓_ (D) The applicant provides an acceptable proposal for an alternate modes of transportation program, including a description of existing and proposed facilities, proximity to existing transit lines, and assurances that the use of alternate modes of transportation will continue to reduce the need for on-site parking on an ongoing basis

The Applicant has provided an acceptable proposal for an alternate modes of transportation program that includes a description of the existing and proposed facilities, proximity to existing transit lines and assurances that the use of alternate modes of transportation will continue to reduce the need for on-site parking on an ongoing basis. Given the location of the project site in proximity to the public transit (RTD route 205 location at Spine and Lookout roads, within a quarter of a mile from the site) as well as the multi-use path connection to the northeast, pedestrian connection along the southern property line and the future roadway connections to the south on both the east and west sides of the site, the approved development strongly supports multi-modal transit opportunities such that the request for an increase in the existing parking reduction will not affect the development's ability to continue to reduce the need for on-site parking on an ongoing basis. In addition, the original development approval includes five designated parking spaces for the subject building, and additional on-street parking exists throughout the development. There are 40 bicycle parking spaces located immediately south of the restaurant space, as well as a recently approved B-Cycle Station to be installed slightly further to the south. Overall, the number existing and proposed bicycle and pedestrian facilities, combined with the site's proximity to existing transit lines and the small scale of the proposed restaurant all support the parking reduction request and provide the necessary assurances that the use of alternate modes of transportation will continue to reduce the need for on-site parking on an ongoing basis.

INFORMATION PACKET
MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager
Maureen Rait, Executive Director of Public Works, Flood Recovery Manager

Date: Sept. 15, 2015

Subject: Information Item: Flood Recovery Status

This City Council information item provides an update on flood recovery status as the city passes the two-year anniversary of the September 2013 flood. Highlights of the progress made are listed below, by key objective, with details provided in the body of the memorandum. Also included in this information item are details regarding the Federal Disaster Declaration (DR4229) for the storm events that occurred between May 4 and June 16, 2015.

1. **Help people get assistance.**
   - Staff is continuing to collaborate with Boulder County to provide housing rehabilitation and temporary rental assistance to impacted households. All housing units that remain vacant and uninhabitable have completed construction or are nearing completion.
   - Approximately 130 households are receiving case management assistance with the Long-Term Flood Recovery Group.
   - A public hearing is scheduled for Oct. 20 to provide council and the community with the results of the technical analysis and to seek direction on the next steps for the West Fourmile Canyon Creek annexation study.

2. **Restore and enhance our infrastructure.**
   - As of Aug. 31, the city has spent approximately $20 million on flood recovery, or 70 percent of projected expenditures.
   - As of Aug. 31, city departments have completed 262 of 330 flood recovery projects, which translates to 79 percent complete.

3. **Assist business recovery.**
   - The city participated in a debrief with the Boulder Regional Business Partnership, which is a group of countywide economic development and chamber of commerce organizations. Outcomes will include the development of information and resources for the business community in times of disaster.

4. **Pursue and focus resources to support recovery efforts.**

- The city has received $5.6 million of an expected $17.3 million in Federal Emergency Management Agency (FEMA) reimbursements to date and has an additional $3 million of reimbursements under review. In addition, insurance proceeds have reimbursed the city for over $1.6 million of flood damage.
- The city has been awarded $4.1 million in non-FEMA grants to support recovery and resilience projects in Housing, Open Space and Mountain Parks (OSMP) and Public Works (Utilities).
- The city is pursuing additional Community Development Block Grant – Disaster Recovery (CDBG-DR) funds in Rounds 2 and 3 ($257 million available).
- The city has adopted a policy to acknowledge the risk of the de-obligation of funds due to procurement challenges by assigning a portion of FEMA receipts to a restricted fund balance.
- The costs of immediate emergency response and recovery efforts have been covered by reserves across the city's funds, with minimal impact to the 2014 Operating Budget. The 2016 Recommended Budget proposes an ongoing increase of General Fund reserves to 16 percent, one percent higher than the reserve goal in place prior to the September 2013 Flood.

5. Learn together and plan for the future.

- Attached to this information packet memorandum is the city's flood recovery after action report, facilitated by the Office of Emergency Management, and includes a report of best practices and lessons learned to take in the recovery process. (**Attachment A)**
- The city continues to participate in the BoCo Strong network, which has hired three resilience coordinators to assist in countywide efforts, including the city of Boulder.
- The city is participating in the local volunteer organizations active in disasters (VOAD) organization and has officially joined as a partner agency.
- The city is working with the State of Colorado and countywide partners to assist in submitting an application to the HUD National Disaster Resilience Competition.

City staff, consultants and community partners continue to work diligently to make progress in achieving the council-adopted objectives. Each objective is explained in the following pages, along with a high-level summary of progress. More detailed information can be found at the city's comprehensive resource for all flood-related information, www.BoulderFloodInfo.net.

Future council updates on flood recovery efforts will continue to occur through Information Packet items on an as-needed basis.

UNINHABITABLE, VACANT UNITS AND REBUILDING

The city continues to help residents in need of assistance as they recover from the flood. In the last two months, all units that the city was aware of being vacant and uninhabitable due to the flood have completed construction, and residents have returned to their home, or are nearing construction completion and re-occupancy.

The Planning and Development Services Center continues to help customers with flood-related questions and customers seeking permits for repairs due to flood damage or for flood mitigation measures, but its flood-related case load has decreased. From Sept. 11, 2013 through Aug. 31, 2015, the city has processed 779 flood-related building permits. The majority of flood recovery permits are related to CDBG-DR funded rehabilitation work. The flood recovery permit (including waived fees) will continue until March 1, 2016.

INDIVIDUAL ASSISTANCE AND CASE MANAGEMENT

137 Boulder households have open cases with the Long-Term Flood Recovery Group of Boulder County (LTFRG), with 177 cases closed. The direct assistance provided by case managers includes assisting with FEMA individual assistance and insurance appeals; mental health programs; volunteer and nonprofit labor coordination; construction coordination; funding assistance through the United Way Flood Relief Fund; CDBG-DR housing rehabilitation; as well as referrals to other agencies for technical assistance. Approximately 58 percent of the cases have a remaining construction or construction reimbursement need. 18 percent of the cases involve a mobile home. 13 percent of cases are related to personal property replacement or HOA Assessments, and the remaining ten percent are in need of volunteers. The city's Human Services Department continues to provide a financial grant to support case management of City of Boulder cases through 2015. There are approximately 1216 cases throughout Boulder County and 541 remain active.

The LTFRG will transition operations at the end of 2015. All remaining cases will be transferred to Boulder County Human Services or other safety net organizations. A more detailed transition plan for the various committees of the LTFRG is underway, and the city is supporting that process as a participant in the LTFRG Coordinating Committee and through the VOAD launch committee (See objective 5 for more information on the VOAD).

FLOOD-RELATED ANNEXATIONS

The city has completed the annexation of 27 properties to assist properties in the flood recovery process. An additional three annexations will be considered on Oct. 6. Staff is in communication with additional property owners and may continue to bring forward flood recovery annexations through the first half of 2016. The grant-funded infrastructure extensions in Old Tale Road and Baseline Road will be completed this fall.

CDBG-DR GRANT FUNDING

CDBG-DR funding coordination is continuing countywide for the second round of funding ($199 million for Colorado). By working with state and regional partners, the countywide collaborative was successful in getting the state to include a more predictable, expedited and customized process for allocating this second round of funding for infrastructure and housing-related projects through a sub-allocation to the countywide collaborative.

The collaborative has drafted a plan for funding flood recovery projects in the infrastructure and housing individual assistance areas and submitted that plan to the State of Colorado and HUD. The city entered into an intergovernmental agreement with the City of Longmont, which will serve as the project's fiscal agent. The city's top infrastructure project for CDBG-DR infrastructure funding remains the Wonderland Creek Flood Mitigation project if the timing for the HUD funding can be coordinated with the project schedule.

WEST FOURMILE CANYON CREEK ANNEXATION SCENARIOS & DESIGN CHARETTE STUDY

The CDBG-DR planning grant-funded study of the Ponderosa mobile home park and vacant parcel at the Foothills Community is proceeding. A study session was held on July 30 with the City Council, to provide information collected to date on the project, and to preview the second phase of technical analysis work. A public hearing is scheduled for Oct. 20 to provide council and the community with the results of the technical analysis and to seek direction on the next steps for the project.

The header photos were taken at a Twomile Canyon Creek open house.

FLOOD RECOVERY PROJECT STATUS

As a result of the significant flood damage to city infrastructure, the city is working to complete more than 300 projects across the community for repairs, restoration, replacement and mitigation work. To fund these projects, the city is pursuing a variety of available resources in the recovery and reimbursement process, including insurance, FEMA assistance and assistance from other agencies (e.g., Federal Highway Administration, Urban Drainage and Flood Control District, Colorado Water Conservation Board, etc.), as further described in the "Objective #4" section.

Below is a summary of the total projects by department/division. Projects are considered partially complete if work has been started, temporary repairs have been made, or mitigation work has yet to be completed. As of Aug. 31, 2015, the city has completed 79 percent of the flood-related projects and spent $20 million on flood recovery (see more financial details on page 12).

	Total Flood-related Projects	Percent Complete
Citywide Total	**330**	**79%**
Department/Division		
Open Space & Mountain Parks	154	66%
Parks & Recreation	47	96%
Public Works - Utilities	64	95%
Public Works - Transportation	31	87%
Public Works - Facilities & Asset Management and Fleet	34	79%

Department-specific details are provided below.

OPEN SPACE AND MOUNTAIN PARKS (OSMP)

Following above-average precipitation in April and May 2015, the weather returned to more typical patterns for June and July, allowing OSMP crews and contractors to make progress on a variety of projects. Reconstruction work was completed this summer on both the Sanitas Valley Trail and the Gregory Canyon Trailhead and access road, and while some additional revegetation and finish work

is underway, these facilities have been restored to service and are being enjoyed by OSMP visitors. With the completion of work at Gregory Canyon, all 35 OSMP trailheads have been repaired and are open to the public.

Since the last (April 2015) update, Open Space and Mountain Parks continues to make progress on repairs to agricultural fencing and restoration of aquatic and riparian habitats damaged by the flood.

Over the past months, OSMP has been actively partnering with the Finance Department to maximize public assistance (FEMA reimbursement). OSMP's time-tracking database has been updated and now allows staff to record and report use of vehicles and equipment. This innovation will reduce the amount of staff time needed to complete and reconcile paper forms and scattered spreadsheets. The resulting documentation provides robust justification for vehicle- and equipment-related reimbursement and increases the likelihood that the city will successfully complete future audits.

Staff members from Finance and OSMP are also collaborating with the State of Colorado Department of Homeland Security and Emergency Management (DHSEM) to use the Skunk Canyon Trail as a "case study" for project closeout. Through this process, the city is reviewing documentation prepared by FEMA, DHSEM and the city as well as conducting site visits. This partnership is seen by all parties as advantageous as it establishes and strengthens lines of communication, provides a forum for information exchange and will set a track record of early success for the closeout process.

PROJECT STATUS	NUMBER OF PROJECTS[1]
Completed	103
Partially Completed	18
Planning/Design	33
TOTAL	**154**

Staff continues to prioritize completion of flood recovery projects as part of annual work planning. Current projects underway include: repair of Chapman Drive, Bear Canyon roadway and trail and the replacement of the trail bridge over South Boulder Creek at South Boulder Road. OSMP has prepared materials for the city manager's recommended 2016-2021 CIP that includes expenditures totaling more than $2.2 million for OSMP flood recovery. The 2016 operating budget request is in preparation and allows for continued flood recovery work.

PARKS AND RECREATION

Approximately 34 percent, or 35 of the 98 Parks and Recreation facilities, were significantly damaged by the flood. Recovery work includes repair, restoration and/or replacement of facilities, structures, playgrounds, multi-use fields and courts, and paths.

PROJECT STATUS	NUMBER OF PROJECTS
Completed	45

[1] Project numbers vary from quarter to quarter due to determinations of eligibility by FEMA, discoveries of additional tasks, and the need to either divide or combine sites and projects.

Partially Completed	0
Planning/Design	2
TOTAL	47

Parks and Recreation staff continues to implement flood recovery and restoration projects across the community, with approximately 96 percent of the projects completed so far. The department had 47 distinct projects due to flood damage and has currently completed 45 projects, with two projects in the planning and design phase.

Since the last update, Parks and Recreation staff completed repairs to the Evert Pierson Kids' Fishing Pond, Boulder Reservoir, and Eben G. Fine Park.

The remaining projects that are currently in planning and design, with FEMA coordination (if needed), include:

- *Knollwood Tennis Courts* – Complete replacement of the damaged courts, in addition to replacement of the walls and landscape restoration, with the work anticipated to be complete by the end of 2015.
- *Flatirons Event Center* – Based on council's direction, staff anticipates demolishing the facility in the autumn of 2015 and is currently in the planning phase to ensure an efficient transition of the facility. Spice of Life is remodeling space in Flatiron Industrial Park (near their current offices) for its new commercial kitchen and catering space.

The department anticipates that all projects will be complete within the next five to seven months.

UTILITIES

Although the water utility infrastructure performed admirably and sustained minimal damages, the wastewater, stormwater and major drainageway systems were overwhelmed by floodwaters and runoff, groundwater infiltration and inflow to the city's open channel and pipe conveyance systems. Initial flood response work included the protection of critical wastewater pipelines, vulnerable water delivery pipelines and access roads to critical water infrastructure.

Key projects completed include:

- Reconstruction of improved drainageway features,
- Removal of more than 35,000 cubic yards of sediment and more than 550 tons of debris from the city's fifteen drainageways,
- Stabilization and repair of the undermined and damaged wastewater interceptor pipe near 61st Street.

PROJECT	NUMBER OF UTILITY PROJECTS

STATUS	WATER	WASTEWATER	STORMWATER/FLOOD MANAGEMENT	TOTAL
Completed	20	15	28	**62**
Partially Completed	0	1	0	**1**
Planning/Design	0	1	0	**1**
TOTAL	**20**	**17**	**27**	**64**

Utilities staff continues to implement flood recovery and restoration projects for the water, wastewater and stormwater/flood management utilities. Approximately 95 percent of the recovery work is complete. Work on all critical water and wastewater infrastructure is complete. Sediment and debris removal from major drainageways is also complete. Repair of drainageway features, such as drop structures and retaining walls, is 100 percent complete.

City staff was successful in its efforts to have FEMA write an additional project worksheet to reimburse the city for costs related to the repair of damaged multi-use paths during the emergency removal of sediment and debris from drainageways. This work is expected to be completed by early fall of 2015.

TRANSPORTATION

Due to the flood, approximately 1 percent (three miles) of roadway was damaged citywide. There are approximately 300 miles of roads within the City of Boulder. It is estimated that approximately 20 percent (60 miles) of the roads were covered in flood-related debris. The city also has 60 miles of multi-use paths within the city limits. Approximately 15 percent, or nine miles, of the paths were damaged.

PROJECT STATUS	NUMBER OF PROJECTS[2]
Completed	**27**
Partially Completed	4
Planning/Design	0
TOTAL	**31**

All transportation facilities are available for full use by the public. The remaining transportation projects include:

- *Table Mesa Drive/Lehigh Street*[2] – Minor channel repairs to Bear Canyon Creek and concrete repairs along Lehigh. Work will be completed in next 2 months.
- *47th Street at Fourmile Canyon Creek* – Primary work is complete and only fencing replacement, revegetation and minor channel inlet riprap adjustments remain. The entire project is expected to be complete over the winter 2015-16.

[2] Projects include FEMA and Federal Highway Administration (FHWA). FEMA oversees the disaster relief federal funding for the street system that carries lower traffic volumes (residential streets), and FHWA, through the Colorado Department of Transportation (CDOT), oversees the federal funding for streets that have higher traffic volumes.

- *Brooklawn Drive* – Chip seal on flood-damaged/patched portion of Brooklawn Drive. Work will be completed in next two months as part of the city's chip seal program.
- *Boulder Creek east of 55th Street* – Repairs to the riprap protecting the abutments of the pedestrian bridge are expected be complete in the next four weeks.

FACILITIES AND ASSET MANAGEMENT (FAM): BUILDINGS AND STRUCTURES

Of the 365 city-owned buildings and structures, approximately 34 (9 percent) were damaged due to the flood.

PROJECT STATUS	NUMBER OF PROJECTS
Completed	27
Partially Completed	6
Planning/Design	1
TOTAL	**34**

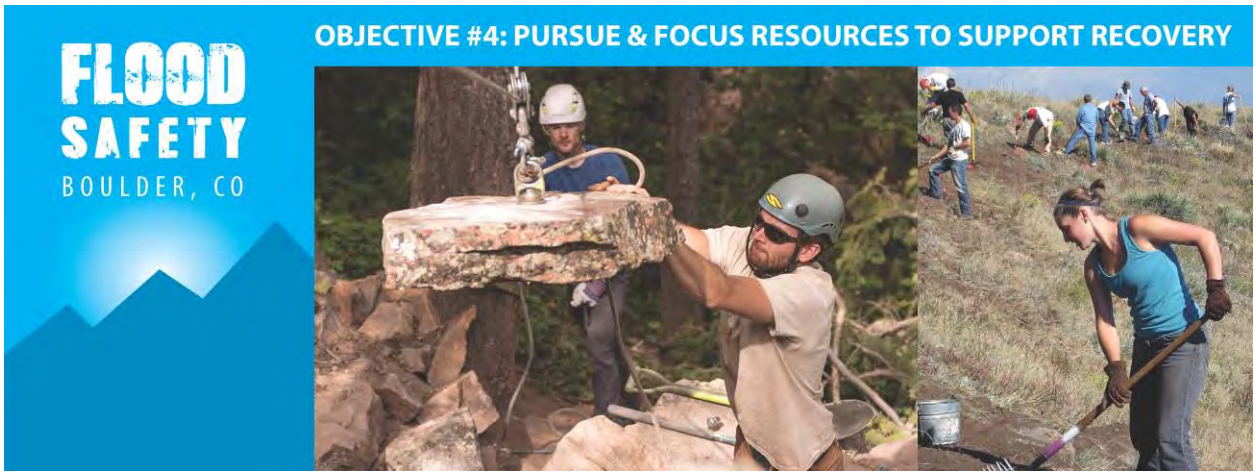
About 94 percent of the building and structural repairs have been completed. With the majority of the mitigation work approved by FEMA, such as installing sump pumps, rerouting roof drains and adding flood walls and doors. The next step will be completing that work at the following facilities:

- Fire station #1
- West Senior Center;
- Reynolds Library;
- Main Boulder Public Library;
- Iris Center; and
- North Boulder Recreation Center.

Additional flood recovery projects that are in the planning/design phase include:

- *South Boulder Recreation Center* –Gymnasium floor design and replacement. Parks and Recreation and FAM staff are considering options as part of the South Boulder Recreation Center facility assessment this fall.

The header photos were taken along Boulder Creek and at the primary interceptor pipe that delivers the majority of wastewater flows to the 75th Street Wastewater Treatment Facility.

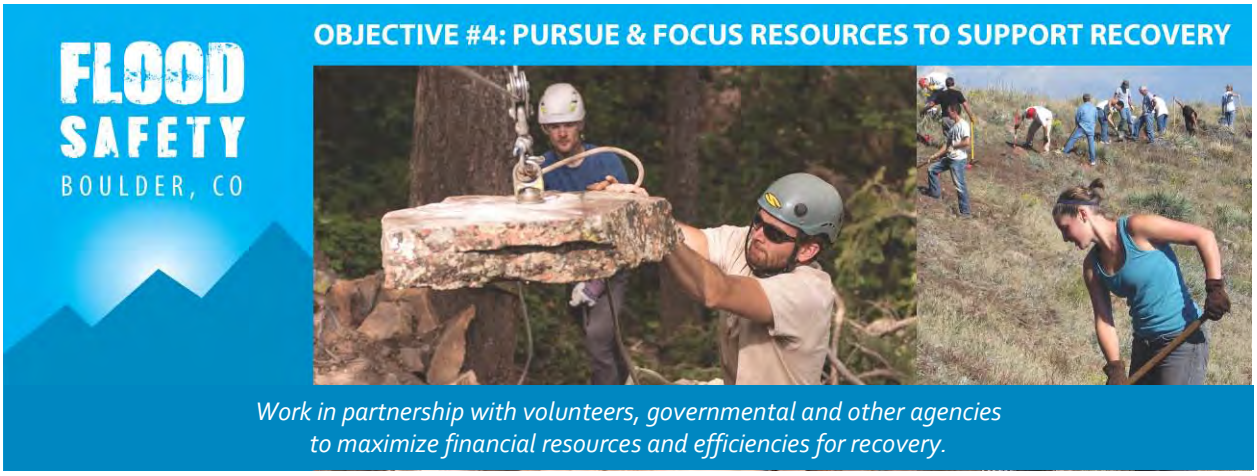


The city continues to assist businesses with flood recovery needs. Impacts to Boulder businesses ranged from moderate damage (businesses that were repaired in a few weeks) to severe (e.g., complete demolition of a building with 20 tenants at 100 Arapahoe Avenue). Business assistance inquiries have included unique requests to specific Boulder businesses (e.g., disposal of confidential but severely damaged documents) and questions about funding sources and business resources.

REGIONAL BUSINESS PARTNERSHIP

The Boulder Regional Business Partnership, which is comprised of economic vitality, chamber of commerce and economic development agencies from across Boulder County, conducted a debrief of the flood recovery from a business perspective following the release of the Economic Development Administration's assessment in Boulder County. The partnership has begun a disaster preparedness and recovery planning process, focused on providing coordinated information and resources to the business community in times of disaster, including the framework for a business disaster assistance center, and for information gathering and data collection for local governments.

The header photo was taken at a business recovery meeting and the graphic was extracted from the Recover Colorado Business Grant and Loan program application.



The September 2013 flooding was declared a national disaster, which created an opportunity for possible reimbursement through FEMA, the Federal Highway Administration (FHWA) and the State of Colorado. The city is striving to maximize reimbursement from all applicable agencies, as well as through grant funding opportunities.

FINANCIAL RESOURCES

Due largely to the city's reserve policies and ability to flex repair dollars, the city has been able to fund the emergency response and initial recovery investments. Although partial reimbursement for eligible expenses is expected from FEMA and the State of Colorado, and the city is seeking all external funding opportunities to cover both recovery and mitigation costs, the timing of this funding is uncertain. Acknowledging increased global economic volatility and increased challenges as a result of climate change, the 2016 Recommended Budget proposes an ongoing increase of General Fund reserves to 16 percent, one percent higher than the reserve goal of 15 percent prior to the September 2013 Flood.

The budget also includes a temporary reserve in the seven funds receiving substantial FEMA and state reimbursement for 2013 Flood recovery costs, equal to 7 percent of reimbursement received. The FEMA process includes substantial auditing well after reimbursements are received, and it is not uncommon for this process to result in FEMA requesting some amount of funds be returned, or "de-obligated". This reserve, in place until after all audits are completed, provides an off-set for potential de-obligation of FEMA and state funding. Once audits are completed, funds not needed would be available for use.

FEMA reimbursements currently total $5.6 million, with an additional $3 million of reimbursements under review by the State of Colorado. FEMA's independent auditor, the Office of Inspector General (OIG), concluded the field work portion of an "Early Warning" Audit the week of Aug. 31 - Sept. 4. These audits are a new program intended to assess a grantee's capacity and allow grantees to improve grant administration processes in advance of a final audit, which could result in return of funds (see above). The city expects to receive a report on this audit by early 2016, the results of which will be shared with City Council.

Tables 1 and 2 (shown below) illustrate, by department/division, the anticipated city share in the flood recovery costs, as well as the estimated amount of reimbursement back to the city. The total cost estimate of $28.4 million represents staff's current estimates of flood damage and recovery activities, following further investigation of damages and assessment of repair and recovery alternatives. These costs are related to the specific September 2013 flood damages and are not

reflective of subsequent issues with additional sediment and debris during spring runoff and summer storms.

REMAINING COST TO THE CITY (GAP)

While FEMA and the state typically reimburse 87.5 percent of eligible projects (75 percent and 12.5 percent, respectively), in many cases, the city's gap between incurred costs and estimated reimbursements varies significantly. The most common reasons for this gap include:

- Through policy, FEMA has deemed many flood recovery activities ineligible (e.g., ecological restoration activities in OSMP, debris removal in certain areas of the streams).
- FEMA policies generally do not reimburse for regular staff time for flood response and recovery activities (only overtime is eligible). While project management and direct administrative costs are reimbursable, actual "boots on the ground" time is typically limited to overtime labor.
- Costs related to general administrative activities (i.e., not associated with a particular project) are ineligible for reimbursement (e.g., general flood coordination meetings, reporting, budgeting, council updates, etc.).

Table 1: Costs Related to Flood Damage and Response

Department/Division	Total Flood Damage and Response	Amount Spent	Remaining Estimated Cost
Transportation	$2,560,000	$2,495,457	$64,543
Utilities	$9,000,000	$8,716,837	$283,163
FAM/Fleet	$1,900,000	$962,005	$937,995
OSMP	$8,300,000[1]	$2,425,818	$5,874,182
Parks & Recreation	$2,500,000	$1,625,000	$875,000
CP&S	$1,892,947	$1,892,947	$0
Police	$743,206	$743,206	$0
Fire	$112,009	$112,009	$0
Other	$1,500,000	$1,201,313	$298,687
Total	**$28,508,162**	**$20,174,593**	**$8,333,570**

[1] *Anticipated range of damage for OSMP projects is $7.8 million to $8.9 million. This broad estimate incorporates best- and worst-case scenarios due to significant design work and uncertainty regarding the bidding climate for large projects in the future.*

Table 2: Sources of Funds for Flood Recovery and Response

Department/ Division	Actual FEMA/State/ FHWA Reimbursement	Estimated Reimbursement from FEMA/State/ FHWA[1]	Insurance Proceeds[2]	Total Reimbursement	Remaining Cost to City (Gap)[3]	Total Sources of Funds
Transportation	$821,277	$1,100,000		$1,921,277	$578,723	$2,500,000
Utilities	$2,450,425	$4,529,000		$6,979,425	$2,020,575	$9,000,000
FAM/Fleet	$192,966	$140,000	$1,422,388	$1,755,353	$144,647	$1,900,000
OSMP[4]	$109,626	$5,338,000	$25,097	$5,472,723	$2,827,277	$8,300,000
Parks & Recreation	$343,776	$486,000	$186,812	$1,016,588	$1,483,412	$2,500,000
CP&S	$1,343,138	$33,000		$1,376,138	$516,809	$1,892,947
Police	$220,061	$32,000	$4,963	$257,024	$486,182	$743,206
Fire	$83,867	$11,000		$94,867	$17,142	$112,009
Other	$42,534	$1,000		$43,534	$1,456,466	$1,500,000
Total	**$5,607,670**	**$11,670,000**	**$1,639,260**	**$18,916,929**	**$9,531,233**	**$28,448,162**

[1] Actual reimbursement amounts may vary due to actual costs incurred and/or FEMA de-obligation of costs at project closeout. Includes 1.34 percent management cost reimbursement.
[2] Insurance proceeds do not reflect a $1 million unscheduled property payment. The city is still determining the best use of these funds. FEMA may require that some or all of this payment be used to offset "duplication of benefits," which would result in a reduction of the FEMA reimbursement.
[3] Please refer to the "Remaining Cost to City (Gap)" and "Grants" sections of this memo for an overview of the reasons contributing to the gap and the additional funding sources that city staff is pursuing to help close the gap.
[4] The majority of OSMP project worksheets have been written on estimates. As recovery work and reimbursements progress, the actual reimbursement from FEMA and the state may increase, as long as the work performed is consistent with the project scope and costs are determined to be reasonable by FEMA.

GRANTS

To help close the aforementioned gap between flood damage and response costs and FEMA reimbursements, the city is pursuing additional funding sources. The following table provides a brief overview of the opportunities currently being pursued.

Program	Awarded Projects/Eligible Activities
Grants Awarded	
Community Development Block Grant: Disaster Recovery – Resiliency Planning	• West Fourmile Creek annexation and redevelopment study • **Award: $75,625** • OSMP natural Resources Planner • **Award: $87,700**
Community Development Block Grant: Disaster Recovery – Housing Rehabilitation	• Single-family renovations and repairs • Relocation of single-family homes • **Award: $1 million (city's share of city/county funds)**
Colorado Department of Public Health and Environment (CDPHE)	• 61st Street wastewater interceptor reroute (2014) • Area II annexation infrastructure, design and fees (2014)

	• Wastewater system inspection • **2014 Award: $1,595,000** • **2015 Award: $300,000**
FEMA Hazard Mitigation Grant Program	• Wildland Fire Station Generator • **Award: $39,987** • Fleet Services Generator • **Award: $43,518**
Colorado Water Conservation Board – Stream Restoration Grant	• Boulder Creek restoration and relocation • **Award: $200,000**
Community Development Block Grant: Disaster Recovery – Infrastructure	• FEMA local match for sediment and debris removal in streams • **Award: $500,000**
Fish and Wildlife Service – National Fish Passage Program	• Boulder Creek at Green Ditch Fish Passage Project • **Award: $75,000**
Colorado Water Conservation Board – Water Supply Reserve Account Program	• Boulder Creek at Green Ditch Floodplain Reconnection Project • **Award: $245,000**
Available Grant Opportunities	
Urban Drainage and Flood Control District (UDFCD)	• Repair of structures built by the UDFCD
Natural Resources Conservation Service Emergency Watershed Protection Program	• Debris removal • Streambank stabilization • Repair of water control structures and infrastructure
Unites States Tennis Association	• Tennis court repairs

VOLUNTEERS

Since September 2013, the city has been fortunate to have a significant level of support from volunteers, with approximately 1,800 volunteers working approximately 7,500 hours so far. Of those hours, 3,853 are eligible for FEMA reimbursement, with a projected value of $60,000.

Upcoming events for public volunteer assistance can be found online at www.ow.ly/pfF4Y.

The header photos were taken at volunteer projects along the Royal Arch Trail and Mesa Trail.

AFTER ACTION REPORT

The city conducted a series of nine staff debriefs in the spring of 2015 in an effort to capture key best practices and lessons learned in the recovery process to date. The debriefs were facilitated by the Office of Emergency Management staff and compiled into an After Action Report, which is included as **Attachment A**.

BOULDER COUNTY VOLUNTARY ORGANIZATIONS ACTIVE IN DISASTERS

One of the lessons learned for the city and county as well as volunteer agencies was the lack of coordination with and between volunteer agencies and the local government in the initial and long-term recovery. As a result, a local group has been formed based on the national and state models of voluntary organizations active in disasters (VOAD). The city has been participating in launch committee meetings, bylaws have been established and interim officers have been appointed. The City of Boulder has signed up as a partner organization (which is the membership classification for governments). The VOAD is being integrated into the emergency response and recovery planning processes with the city and county.

BOCO STRONG

BoCo Strong, the countywide network for resilience, has been awarded a CDBG-DR resilience planning grant to assist in piloting neighborhood-level resilience countywide (including in the City of Boulder), and to assist in providing a paid coordinator for the VOAD. This effort is being coordinated with the city's resilience planning efforts.

CITY PRE-DISASTER RECOVERY PLANNING

Efforts to create pre-disaster recovery plans for city and community recovery are underway and will continue. One of the early action items identified through the after action report and the May-June 2015 storms was the need for a more coordinated damage assessment process. The Office of Emergency Management has purchased a subscription for a cloud-based damage assessment software program that is deployable on smartphones and tablets, and it is currently being configured with the data, people and equipment information that is necessary for completing a preliminary damage assessment for private property and public infrastructure. In addition, the Damage Assessment procedures and processes are being revised for both the city and county. The remainder of the disaster recovery plan and accompanying annexes will continue to be developed and updated into 2016.

The header photos were taken at the Sept. 10, 2014 "The Boulder Flood: One Year Later" afternoon and evening events.

FEMA DISASTER DECLARATION FOR SPRING 2015 STORM EVENT

A series of storms in May and June 2015 led to damage to the city's infrastructure, specifically to the Public Works-Utilities and Open Space and Mountain Parks (OSMP) systems, with some minor costs to the Parks and Recreation and Transportation systems. The City of Boulder participated in the FEMA initial damage assessment process and had an estimated $236,000 in costs at that time. Initial damage assessments throughout all of Boulder County amounted to a total initial estimated $430,000 of damage. These initial projections were under the minimum threshold of $1,045,000 required to be eligible for federal assistance. Since that time, the City of Longmont and City of Boulder have identified more damage, which pushed the countywide damage total over the minimum threshold.

Following initial damage assessments across the State of Colorado, it was determined that 11 counties in the state met the federal threshold. The State of Colorado applied for and was issued a Presidential Disaster Declaration on July 16 for those 11 qualifying counties. On Aug. 13, the federal disaster declaration was amended to include Adams, Boulder and Park counties, as well as the City and County of Denver. Please refer to the federal declaration at https://www.fema.gov/disaster/4229. On Aug. 7, 2015, the city manager issued a local disaster declaration, which is the first step to be eligible for federal assistance. City staff attended a FEMA applicant briefing on Aug. 27 and completed a Request for Public Assistance on Aug. 28. During the next 60 days, city staff will be meeting with FEMA representatives to compile a complete damage assessment and to determine FEMA eligibility for projects. Current estimates of damage are approximately $250,000 to $750,000.

The multiple weather events that occurred during this designated time period **did not** meet the federal damage threshold to qualify for FEMA Individual Assistance (IA). Therefore, any potential FEMA funds can only be used for damage to public property and infrastructure.

Staff will provide updates to City Council via future presentations and information packets as the recovery operations and FEMA assistance progresses.

ATTACHMENTS:
Attachment A: September 2013 Flood Recovery - After Action Report

AFTER-ACTION REPORT

2013 Flood

City of Boulder Flood Recovery

Sept. 9, 2015

After-Action Report

CITY OF BOULDER FLOOD RECOVERY

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INTRODUCTION

In order to become more resilient, we must build upon best practices and lessons learned from our experiences. This After-Action Report was compiled by utilizing information from all program areas involved in the city's flood recovery efforts through group debriefs and by utilizing information published by the City of Boulder. Information was consolidated to depict the overarching themes observed in the data gathering process. This information will be used to establish plans and procedures to improve response and recovery efforts for future events.

The Event

From September 8 through 16, 2013, the Boulder region experienced unprecedented rainfall that caused significant flooding, loss of life and widespread damage. As a result of the flooding, Boulder County (including the City of Boulder) was designated a "Major Disaster" by the Federal Emergency Management Agency (FEMA)[1]. The Boulder community immediately came together to support one another during the recovery efforts. Although many were able to quickly get back to normal routines, others will be dealing with impacts from the flood for months and years.

This event was caused by a 1,000-year rainfall, which brought up to 16 inches of rain to Boulder in eight days. In addition, the rainfall caused 25- to 100-year flooding along all 15 major creeks and the 23 irrigation ditches, which had overwhelmed the city's storm drainage and sanitary sewer systems. Additional information, including analysis of the flooding by creek, is located at boulder colorado.gov/flood/september-2013-flood.

After the flood, the city surveyed property owners and residents to assess the damage caused by the flood. The results showed that the primary cause of damage included major creek flooding, groundwater infiltration, local drainage flooding, and flood drains and/or wastewater backups. The extent of the damages throughout the City of Boulder included:

- Roadways covered in debris – 20 percent
- Roadways damaged – 1 percent
- Pathways damaged – 15 percent
- City parks significantly damaged – 34 percent
- Open space trails damaged – 100 percent
- Households damaged – 14 percent
- Private property damages - $200 million
- Municipal property damages - $28 million

The extent of the damages resulted in extensive coordination by the City of Boulder to conduct recovery operations.

- The city's wastewater treatment facility maintained operations throughout the flood, but the wastewater collection system surcharged, resulting in sewer backups throughout some areas of the city.
- 6,562 housing units were damaged (14 percent of the city's total housing stock).
- 100 businesses were impacted by flooding.

[1] The City of Boulder was included in the May-June 2015 Presidential Disaster Declaration (DR-4229) for the rain, flooding and landslides that occurred during this timeframe, resulting in damage to city infrastructure. The city has requested Public Assistance from FEMA for this 2015 disaster.

- 46,000 cubic yards of sediment was removed from creeks.
- 11,893 tons of trash was collected.
- 85 creek structures were repaired.
- Volunteers worked 3,800 hours.
- Over 300 flood-related are projects planned, underway or completed.

RECOVERY BEST PRACTICES & LESSONS LEARNED

Following the flood, the City of Boulder established priorities to provide adequate care and support to residents that were impacted and to focus on the work of reconstruction and rebuilding and the City Council adopted key objectives for the near-term recovery and long-term resiliency. The flood has caused harm, but has also created an opportunity: to think critically about our future, and to work together in support of long-term community sustainability and resiliency.

City of Boulder Key Objectives for Near-term Recovery and Long-term Resiliency

1. **Help people get assistance**. Facilitate access to individual assistance for affected homeowners, renters and businesses to support their recovery from flood impacts and strengthen long-term resilience.
2. **Restore and enhance our infrastructure**. Invest in projects to restore services and to rebuild and enhance infrastructure, as appropriate, in the interests of public health and safety, community quality of life, and long-term resilience.
3. **Assist business recovery.** Work with the Boulder business community and key partners to connect affected businesses with resources, recover quickly from flood impacts, and support long-term economic vitality.
4. **Pursue and focus resources to support recovery efforts**. Work in partnership with volunteers, governmental and other agencies to maximize financial resources and efficiencies for recovery.
5. **Learn together and plan for the future**. Engage the Boulder community in assessing neighborhood impacts, refining and rethinking community design options, prioritizing actions and opportunities that mitigate hazards before rebuilding and support long-term community resilience and sustainability. In doing so, we build a city both greater and more beautiful than we were before.

The City of Boulder defined *flood recovery* as the process of establishing a community-based, post-disaster vision to focus on plans and projects to address damages sustained from the flood and to aid in the community's recovery from the disaster. The city's sustainability framework and resilience principles were applied to maximize long-term recovery efforts and enable the community to effectively respond and adapt to future challenges. The best practices and lessons learned from each recovery team have been highlighted within their respective sections. Some of the common themes that emerged are highlighted below.

Best Practices

Staff came together with the common mindset to be supportive and understanding for the community during this time of need. Regardless of their daily job duties representatives from all city departments supported one another in the recovery efforts. This was most evident in the immediate surge to help with debris clean-up operations.

Establishing the flood recovery team was essential to the success of the community. The ever-changing dynamics of the flood recovery, coupled with the increased need to break down pre-existing departmental silos, required a new coordination structure. Hiring dedicated staff and bringing together cross-departmental teams proved valuable in supporting recovery operations. Forming a team and assigning tasks with the culture and values of the city in mind allowed this group to succeed.

Water and wastewater service remained operational. The city's water treatment and wastewater treatment systems remained operational throughout the flood, although sewer backups impacted hundreds of homes and

localized areas temporarily lost service. Dedicated and empowered staff worked hard to ensure the continued functionality of the water and wastewater systems during and after the flood.

Lessons Learned

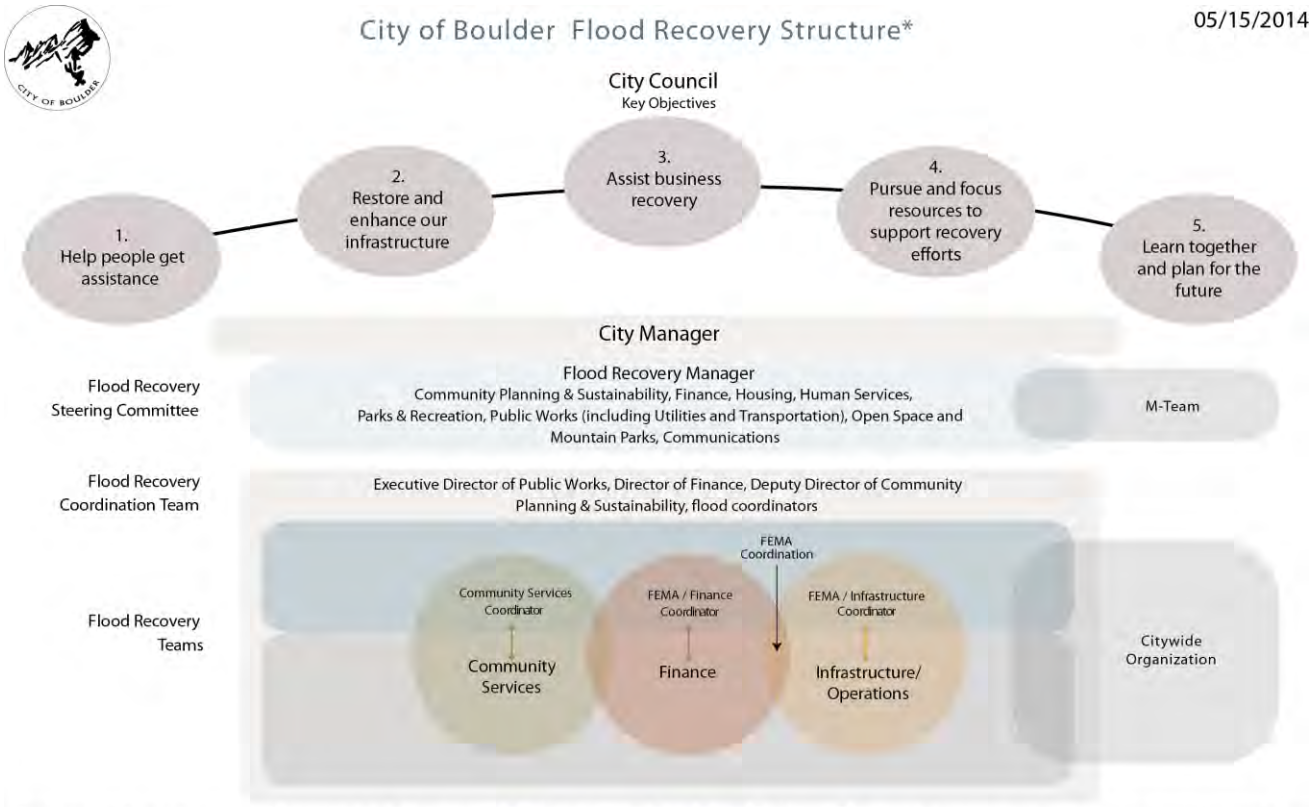
A pre-disaster recovery plan would be helpful to quickly meet the changing needs of the community following a disaster. Although the city was able to establish a recovery structure, a lot of staff time was needed to develop a successful model in the midst of ongoing recovery operations. Pre-planning for the next event will help the city transition from response to recovery and for staff to better understand their roles of how to support recovery operations.

Set clear expectations for residents. A better understanding of the responsibilities that the city will take, along with clearly communicating the known and unknown information, will encourage residents to help each other and take responsibility for their own recovery and rebuilding. One example is providing a more clear delineation of what types of damage would be considered flood-related.

Provide additional mental health support and referral assistance for staff and on-site mental health professionals. Better and more direct mental health support and referral assistance should be provided to help build resilience among the city's workforce, address secondary trauma among staff directly supporting impacted residents, and provide better service for impacted residents.

Policy & Coordination

Changing dynamics and a need for cross-department collaboration and coordination required a new approach to conducting operations and supporting impacted residents. For this reason, the City of Boulder established a flood recovery structure that was designed to best meet the objectives established by the City Council.



*This diagram shows the city's internal long-term flood recovery structure. It is important to note that while not shown on this diagram, long-term flood recovery efforts interrelate to emergency preparedness and response, and resilience planning efforts.

Best Practices

The establishment of a citywide recovery structure and the hiring of flood recovery coordinators helped to centralize resources and was instrumental towards recovery. Establishing a clear delegation of authority for the coordinators allowed each team to meet challenges as they emerged.

Establishing the recovery objectives early in the recovery was essential. Immediately working with the City Council to establish clear recovery objectives provided a framework from which the flood recovery structure could be developed and operated, and allowed recovery progress to be clearly reported to the council and community.

Quickly taking action on regulatory and fee waivers assisted the community. The city quickly passed interim and long-term regulatory changes and fee waivers to assist with the community's recovery. Consideration should be given to creating mechanisms within the city code to implement such actions administratively when a disaster is declared.

Lessons Learned

The flood recovery structure that was used to coordinate city efforts should be implemented immediately after a major disaster. In the transition from response to recovery, overarching coordination was needed to help maintain a best practices operating structure and to establish clear roles and responsibilities. Quickly applying a model similar to the flood recovery structure would assist in providing support and ensuring effective communication across the organization. The overlap between initial response and long-term recovery was chaotic, and having a more organized structure of transition would improve the recovery process.

A centralized information system would help to maintain a best practices operating structure. The ever-changing dynamics of the recovery, from available grants to accessible services, and data coordination from damage assessment, case management and mental health needs require a centralized tracking mechanism to maintain shared information between departments and other community partners.

Having in-house capabilities or quickly hiring staff who have experience coordinating with federal and state agencies (such as FEMA, FHWA, and CDOT) would help to maximize reimbursements. The complex nature of the federal reimbursement process requires a pre-developed understanding. Experienced personnel can help to maximize reimbursements while also limiting duplication of efforts. While consultants can be helpful in assisting in the process, having dedicated staff with the knowledge is preferable.

Finance

By utilizing reserve funds, the city was able to cover immediate emergency response and recovery expenditures. Since the flood event was declared a "Major Disaster" by FEMA, opportunities were available for reimbursement and supplemental funding to support recovery operations. However, because financial support was largely provided on a reimbursement basis, the city's reserves were a critical asset, allowing the city to perform flood recovery duties without disruption to core community services and other city priorities. In the late 1990s, the reserves in the city's general fund were close to 3 percent. The city made growth of reserves a priority, and by 2004, general fund reserves were 10 percent. In October 2012, the City Council adopted a reserve target of 15 percent for the General Fund. The 2015 budget included replenishing the General Fund reserves to 14 percent in 2015 and building reserves to 16 percent in 2016 and beyond.

The large costs of the flood response and recovery, combined with coordination with state and federal agencies, required city officials to manage city cash flow and track expenditures, maximize reimbursement potential, identify and submit applications for various grant opportunities (i.e., CDBG-DR, CDPHE, FEMA, NRCS, UDFCD), streamline and centralize the reimbursement process for city departments, and work with the insurance provider for reimbursement of city assets. To date, the city has received:

- Received $2.7 million from insurance proceeds
- Awarded $1.895 million grant from Colorado Department of Public Health and the Environment (CDPHE)
- Awarded $445,000 from the Colorado Water Conservation Board
- Awarded $75,000 from the U.S. Fish and Wildlife Service
- Received $5.6 million in FEMA reimbursements as of August 2015
- Community Development Block Grant – Disaster Relief (CDBG-DR) funds awarded as of August 2015:
    - Housing rehabilitation (through Boulder County) - $1 million
    - Infrastructure - $500,000
    - Planning - $75,000
    - Staffing (OSMP) - $88,000
- Received $83,000 from FEMA 404 Hazard Mitigation Grants

In addition, the City of Boulder is in the process of pursuing additional CDBG-DR Round 2 and 3 funds. The support of over 3,853 eligible volunteer hours provided the city with value of $60,000 to be applied towards reimbursements.

Best Practices

The city had reserve funds available to handle the immediate cash needs for flood response and recovery. The city's foresight to have reserve funds available in case of an emergency and timely decision to utilize those funds helped to streamline rebuilding and reconstruction.

Pre-established relationships helped to expedite repair and rebuilding. By utilizing existing relationships and continuing service agreements that had been previously developed with contractors, consultants and insurance providers, the city was able to quickly begin reconstruction.

A centralized and dedicated finance team was vital in maximizing reimbursements and establishing a citywide process for coordination. Developing a common process for finance across all departments leveraged resources from the city and supported tracking and reimbursements.

Lessons Learned

Be cautious of the recommendations from external agencies and consultants. Although many helpful and hardworking representatives from FEMA and consulting companies provided valuable support to the city, the continuous and frequent changeover in staff, combined with different interpretations of procedures, led to conflicting direction (see procurement lesson learned below).

Continually engage all financial analysts and managers within the city throughout the recovery process. Different departments within the city had varying levels of engagement in the flood response and recovery. Establishing a clear process for coordination will help to ensure a coordinated effort.

Establish a common timekeeping system across all departments to ensure consistency in tracking the staff time that was worked. The city's timekeeping system (i.e., work orders that link equipment to staff time) was well-adapted to get all necessary documentation during the immediate response for some departments, but many departments were not used to tracking time at the level of detail required by FEMA.

Establish a common expense tracking process and set up projects in the financial system that align with FEMA projects. The city was slow to establish a tracking system that utilized the financial system's ability to track expenses by project. Setting this up earlier will result in more efficient reimbursement process and limit the risk of being audited.

Carefully review procurement rules for granting agencies (FEMA, FHWA, etc.) and work with the Purchasing Department to ensure that city practices reflect federal requirements. During flood recovery, city staff did not completely follow FEMA guidelines for purchases under $50,000 and use of Disadvantaged Business Enterprises (small, minority-owned and women-owned businesses). This has resulted in a slower pace of reimbursements and risk that some expenditures may be considered ineligible for reimbursement by FEMA.

Public Infrastructure & Debris Removal

More than 300 identified projects across the community required repairs, restoration, replacement and mitigation work. After initial identification and assessment of the damages, the Infrastructure Team set out to restore services and rebuild and enhance infrastructure, remove sediment and debris deposited throughout the community, and to work with FEMA and FHWA to get the maximum reimbursement for infrastructure recovery work.

As of August 2015, 79 percent of citywide recovery projects were completed.

- Completed flood recovery projects include:
  - 103 – OSMP
  - 45 – Parks and Recreation
  - 62 – Utilities
  - 27 – Transportation
  - 27 – Facilities

- Partially completed recovery projects include:
  - 18 – OSMP
  - 0 – Parks and Recreation
  - 1 – Utilities
  - 4 – Transportation
  - 6 – Facilities

- Projects in planning/design include:
  - 33 – OSMP
  - 2 – Parks and Recreation
  - 0 – Utilities
  - 1 – Facilities

Best Practices

Essential infrastructure services remained operational throughout the flood. For the most part, the city's core infrastructure (water, wastewater, streets, bridges, etc.) functioned throughout the storm event. The flood mitigation efforts that were conducted prior to the flood helped to keep infrastructure and services available for community members. Localized interruption and significant wastewater system backups impacted some areas of the city.

Volunteers and volunteer groups proved invaluable in helping the community to recover. Cleanup efforts throughout the community were supported by volunteers, which proved an invaluable asset to the city's and community's recovery process.

Previous flood mitigation efforts were essential in minimizing damages throughout the city. The city's previous investments in flood mitigation and hazard reduction resulted in reduced losses in the community.

Lessons Learned

Maintain one point-of-contact with FEMA among each Recovery Support Function to ensure consistency. Having a single point-of-contact with FEMA within each functional area would help to provide a consistent message when representatives within FEMA change and would help to identify conflicting advice.

Establish a process for determining when it makes sense to seek FEMA reimbursement on large-scale projects and when to move forward with normal city operations. Due to the complex nature of seeking FEMA reimbursements, it would be beneficial to establish guidance for which projects should seek reimbursement and which should utilize city funding. This would help to utilize staff time more efficiently.

Develop consistent documentation procedures for contractors conducting recovery work. Documentation was difficult at times, especially as the contractors were changing.

Permitting & Private Damage Assessment

The City of Boulder conducted initial damage assessments of more than 22,000 private residential and commercial structures on September 23 and 24, 2013, which identified:

- 58 structures as being damaged (yellow tag); and
- 12 structures as being dangerous (red tag).

Once damage assessment operations were complete, the city initiated an effort to assist with the community's recovery by simplifying flood-related permitting processes and waiving some permitting fees. Along with establishing a streamlined flood recovery permit process, the Permitting Team also staffed the Disaster Assistance Center (DAC) to provide permitting and rebuilding assistance and acted as an information conduit for community members.

Best Practices

Having city staff, regional partners, consultants and contractors immediately deployed in the field to document damages provided an initial picture of damages and also helped to provide community members with important information. Community members were able to see city staff evaluating damage and providing information to those impacted, which helped provide a common mindset for understanding the needs that emerged from the flood.

For one week, the Planning and Development Services Center was only opened to residents impacted by the flood, which allowed the city to focus on the immediate needs of the community. By targeting the needs of flood-impacted residents, the city was able to quickly support rebuilding efforts. In addition, city staff operated a satellite planning and permit information office at the Disaster Assistance Center to speak with impacted residents.

Daily morning update meetings and written scripts for field staff helped ensure a consistent message. Management conducted daily morning update meetings and written scripts for staff to utilize, which was essential for maintaining a common operating picture.

The city waived the need to obtain permits for drywall or insulation and focused on life safety requirements. Modifying some code requirements and waiving permit fees for residents that were rebuilding helped to ease their recovery. Streamlining the contractor licensing process also assisted in the recovery process.

Lessons Learned

Complete preliminary damage assessments as soon as it is safe. In order to gain a general understanding of the damages and impacts to the community, it is recommended that an initial/preliminary damage assessment be conducted shortly after the response is over.

Provide damage assessment teams with information about all response and recovery efforts to distribute to residents. Have a script and handouts for staff in the field to utilize when talking to residents and businesses to ensure consistency of information.

Determine how best to gain awareness of the extent of damages throughout the city. Eighteen months after the disaster, new reports of uninhabitable buildings were being reported that were not included in the

initial damage assessment. It is recommended that a plan be developed that incorporates multiple mechanisms for determining damages throughout the city.

Establish a process for sharing damage information across departments and with Boulder County. The need for information sharing throughout multiple departments and across jurisdictions is essential in maintaining a best practices operating structure, and to be able to provide better assistance to residents. For example, being able to document properties that needed follow-up from the Human Services or the Health Department while conducting the initial damage assessment would have been helpful.

Private Debris Removal

The flood event caused a tremendous amount of debris to flow into the city, with more than 3,779 tons of debris hauled from private property. Private debris removal consisted of the immediate setup of 11 public dumpster locations throughout the community for disposal of damaged materials and curbside debris removal, which was coordinated with Western Disposal, a local trash hauler. When dumpster locations were quickly overwhelmed, it was clear that curbside pickup was necessary.

- Community dumpster locations were available from September 14 through September 22, 2013.
- Curbside pickups were divided into four zones and operated from the end of September until the end of November 2013.

These debris collection efforts were provided to assist community members with removal of flood-related debris from private property. In order for the city to receive Federal Emergency Management Agency (FEMA) assistance for the cost of debris removal, curbside pickup requirements included:

- Storm-related debris only;
- Debris should NOT be placed in plastic trash bags;
- If debris is already in plastic bags, the bags must be opened to allow those picking up the trash to verify they contain only storm debris; and
- Household trash should not be placed with flood debris.

Best Practices

The partnership with Western Disposal was vital to the success of the clean-up efforts. Partnering with Western Disposal for initial community dumpster sites provided additional resources to clean up the community, including coordinating with its subcontractors to assist with heavy machinery to clear community sites. The additional coordination with Western Disposal and the Center for Hard to Recycle Materials (CHaRM) was used to accept electronic waste with no charge to residents.

Utilizing staff from all departments at the waste drop-off sites proved essential in providing adequate support. Staffing the community drop-off sites required an enormous amount of staff time and resources, which was done by the support of all departments in the city.

Hiring a monitoring company to assist with curbside debris removal helped support operations. In order to provide estimates on the amount of debris that was being collected, which was used for FEMA reimbursements, a contractor was utilized that was able to work alongside debris removal teams.

Lessons Learned

Immediately provide clear and concise communication to the public about debris collection locations and what debris is acceptable. Messaging to residents should explain what types of debris will be collected or can be dropped off and how to dispose of electronic waste, recyclables and contaminated materials. With the transition from community drop-off sites to curbside collection, the instructions and requirements changed. A decision on whether to provide community drop-off sites or curbside collection should be made as early as possible.

Coordinate with the county to determine private debris removal sites near the city limits. Shared community drop-off sites with Boulder County caused confusion during the payment and reimbursement process. Additional coordination will help mitigate future issues.

Establish a process for maintaining security at each community site to control illegal dumping. The community drop-off sites were designed to support residents impacted by the flood. Security should be available to prevent dumping of unauthorized trash and debris.

Housing, Human Services and Case Management

The City of Boulder, Boulder County, and the Long-term Flood Recovery Group of Boulder County coordinated to provide many services to residents that were impacted by the flood in order to help them get direct assistance from the city and to facilitate access to other individual assistance programs. This was accomplished by:

- Supporting displaced and impacted residents by stabilizing living situations and meeting basic health and human service needs through assistance with finding housing, providing rental assistance, and coordinating with FEMA on the placement of temporary housing units;
- Coordinating planning and resource deployment with community partners and resources;
- Partnering with Habitat for Humanity to implement and fund housing rehabilitation;
- Monitoring the changing needs for assistance, identifying gaps and connecting people to available resources;
- Performing ongoing outreach and communications to impacted residents and businesses about the flood repair, remediation, and construction needed to ensure the health and safety of buildings and occupants; and
- Providing $90,000 in funding in 2014-2015 to support case management for more than 300 City of Boulder households through the Long-term Flood Recovery Group (LTFRG).

Additionally, the city participated in the establishment and operation of the Disaster Assistance Center to provide immediate support to impacted residents after the flood; served on the countywide Long-Term Flood Recovery Group (LTFRG) that provided case management services to over 300 households with unmet needs; created a partnership with Housing Helpers to match residents with potential landlords for short-term housing needs; coordinated more than 30 flood-related annexations; and obtained a $1 million grant to support construction and connection of private properties to city water and sewer services.

Best Practices

Coordinated with nonprofits, Boulder County and FEMA to establish a Disaster Assistance Center (DAC) to support impacted residents. Having one location where residents could receive information about all of the services available to help in their recovery helped them to navigate after the disaster. Having a city presence at the DAC to listen to residents and provide city support was very helpful.

Continual coordination with case managers to identify emerging needs in the community. New needs for city residents continued to emerge after the disaster. Ongoing coordination with case managers and city resources helped to provide assistance for those cases.

Partnering with Boulder County and the LTFRG to provide human services assistance to impacted city residents. The coordination with Boulder County and LTFRG to provide support to impacted city residents was cited as an essential aspect of the recovery.

Lessons Learned

Coordinate unmet needs assessments across and between agencies to limit residents' need to provide the same information to different agencies and organizations. Residents were asked by many organizations (i.e. FEMA, World Renew, Red Cross, Boulder County, City of Boulder, etc.) to provide information on their circumstances in order to receive assistance. A coordinated approach and pre-planning on how to best address unmet needs will help to limit the burden on those impacted.

Understanding that emergencies start and end locally, leverage incoming support while empowering local leadership to establish processes and procedures that build long-term capacity. After a large-scale disaster, many subject-matter experts and support staff provide their services to help locals rebuild and recover. The Boulder community encourages community service and skilled volunteerism, continually self-empowering to address needs. A long-term strategy and predetermined structure for case management services and funding is recommended.

Determine how to leverage partnerships to provide support as soon as possible to those in need. Coordinate with groups that are bringing in donations and services to support disaster victims (such as the Long-Term Flood Recovery Group) and quickly match resources with the greatest need. Developing local leadership and pre-existing support systems, while also harnessing the expertise and resources of supporting entities through an organization such as a Voluntary Organizations Active in Disasters (VOAD) group is recommended.

Neighborhood Outreach

The changing environment that is inherent in the recovery from a disaster requires ongoing communication the community. After the 2013 flood, the City of Boulder set out to communicate with residents about the flood repair, remediation and reconstruction that was needed to ensure the health and safety of buildings and occupants. The city also facilitated conversations during neighborhood meetings to help residents better understand the scope of the flood event. These objectives were accomplished by:

- Completing seven fall 2013 outreach meetings;
- Launching an online crowdsourcing website that for residents to map and describe their flood damages;
- Sending a flood damage survey to more 8,000 residents, with a focus on the hardest-hit neighborhoods;
- Completing two spring 2014 outreach meetings;
- Conducting door-to-door flood information and flood safety canvassing to approximately 2,000 households in partnership with the Center for Resource Conservation;
- Creating a single point of contact for resident inquiries to the city through a designated phone number, email address and online Inquire Boulder topic; and
- Distributing flood information through the "Friday Folders" to grades K-5 in all schools within the Boulder Valley School District.

Best Practices

Held community meetings to provide a dialog with residents that improved communication and understanding. Providing information to residents about the services that were available helped to manage expectations, while seeking information from residents about damages helped to verify damage assessment data that was collected and gave the city a better understanding of the needs in the community. Utilizing the flood inundation mapping as a direct feedback tool was well received, and proved to be a constructive way to talk about flood impacts and damage.

Created a single point of contact for resident inquiry to the city through a designated phone number, email address, and online website and mobile app Inquire Boulder topic. The need to navigate through the city to find available resources was mitigated by having one central place where all inquiries were funneled, which helped ease the burden on those impacted by ensuring their issue was efficiently routed to the appropriate resources for response.

Established a document with "Frequently Asked Questions" that was utilized by staff and residents. A centralized document that was developed to help answer questions was essential in providing a common operating picture on the services available throughout the city.

Lessons Learned

Streamline the process for providing information to the public and establish a mechanism to track messaging. Staff invested significant time into developing resources and information from scratch to provide to the community. Much of this could have been pre-developed to be utilized following a disaster. Taking advantage of the work that was done and modifying it for use in future disasters will limit the time that is needed in the development of these resources after a disaster.

Better coordination with Boulder County to provide common messaging to the public. Residents hear information from both the City of Boulder and Boulder County. Leveraging relationships among Public

Information Officers (PIOs) during the recovery efforts that are already in place during response can support the development of common messaging. In addition, joint neighborhood meetings will limit confusion among residents.

Business Assistance

The 2013 flood caused economic impacts to the City of Boulder. In order to help support the long-term economic vitality of the community, the city worked with businesses and key partners to connect affected businesses with resources to recover quickly from flood impacts. Once an assessment of damages to businesses was conducted, the City of Boulder coordinated resources and events to support the recovery of businesses, which included:

- Communicating information regarding the Recover Colorado Business Grant and Loan Program;
- Co-hosted a business flood recovery workshop with the Small Business Development Center on April 16, 2014;
- Sponsored the Business Preparedness Summit on October 17, 2014; and
- Coordinated calls for assistance from businesses within the City of Boulder with the Boulder Chamber and Small Business Development Center.

The resilience of the business community, combined with the support from the city, helped get the majority of impacted businesses open within three weeks of the flood.

Best Practices

Coordinating with the Boulder Economic Council and the Small Business Development Center provided comprehensive information about the impacts to businesses. By utilizing pre-established relationships and established networks of businesses, the city was able to quickly assess the impacts to businesses and to understand the hardships they were facing. The majority of businesses in the city were not necessarily damaged physically by the flood, but were dealing with flood-impacted employees and/or supplies that couldn't be delivered to them.

Assisted out-of-state contractors with moving through the city's licensing process as quickly as possible so that they could assist our community with recovery. The city streamlined the licensing process and supported out-of-state contractors that could provide essential recovery services in the community to help expedite support.

Lessons Learned

Messaging to the community regarding the availability of access to businesses in Boulder could have been more clear and messaged earlier. Establish a mechanism to let residents know what businesses are opened so they can better support their own recovery.

Partner with local associations and groups to better communicate with businesses before, during and after a disaster. Many of the businesses in Boulder are home-based, which made it difficult to understand the impacts. A targeted outreach to build partnerships will help to better communicate with those entities after a disaster.

Collaborate with regional partners to better communicate the availability of grants and support that are available to impacted businesses. Regional collaboration to better understand and message the availability of funding to impacted businesses can help in the economic recovery of the community. Many grants were available from numerous entities. The city partnering with other jurisdictions could help businesses navigate through the process.

Information Packet
Memorandum

To: Members of City Council

From: Jane S. Brautigam, City Manager
David Driskell, Executive Director of Community Planning and Sustainability
Susan Richstone, Deputy Director of Planning
Molly Winter, Director of DUHMD/PS
Mary Ann Weideman, Assistant City Manager
Casey Earp, Assistant City Manager I

Date: September 15, 2015

Subject: Information Item: Organizational Assessment Update

I. PURPOSE

The purpose of this memorandum is to provide the council with information concerning organizational transitions that two City of Boulder departments will be undertaking in the last quarter of 2015 and into early 2016.

II. EXECUTIVE SUMMARY

As part of our organizational efforts at continuous improvement, we regularly perform assessments of departments to make sure that we are operating efficiently and are organized to best serve the public and achieve the priorities established by the Council. Earlier this year, we evaluated the operations and structures of two related departments: the Downtown and University Hill Management Division and Parking Services (DUHMD/PS) and Community Planning and Sustainability (CP&S). Both of these areas have a broad range of responsibilities that have evolved over time. The assessments were conducted to better align similar services, improve customer service and operational efficiencies, and re-imagine structures that will support our organizational vision of *service excellence for an inspired future*.

The most notable change will be the creation of the Department of Community Vitality. This new department will be made possible through the reorganization of DUHMD/PS. The intention of the Department of Community Vitality will be to focus on and refine

services that impact the vitality and quality of life in the Boulder community. The new department will work collaboratively with businesses, residents, neighborhoods and other departments to strengthen partnerships, improve services, implement best practices and creatively consider new approaches to support our community's unique quality of life. Initially, this transition will allow the new department to focus with greater clarity of purpose on key objectives including managing district activity, economic vitality, parking enforcement, and public space management. As staff moves forward with a refined focus, it is anticipated that discussions will continue about how to further fulfill the promise of a department focused on the overall vitality of the community.

CP&S has also been focused on some structural changes to better align the department in support of current council and community priorities while anticipating the future. On June 15, City Council was informed of the overall approach and plan to create the Deputy Director of Planning position. This memo will describe additional structural modifications planned to support council and community priorities.

III. BACKGROUND

The City of Boulder aspires to *service excellence for an inspired future*. Staff is dedicated to continuous improvement and regularly performs assessments of departments to make sure the organization is operating efficiently and is organized to best serve the public and to achieve the priorities established by the council. In 2015, two related departments, the Downtown University Hill Management Division and Parking Services (DUHMD/PS) and Department of Community Planning and Sustainability (CP&S) were evaluated to better align similar services, improve customer service and operational efficiencies, while taking the opportunity to re-imagine structures that will support current services while planning for the future.

Both evaluations were completed by an outside consultant and resulted in several recommended transitions. As will be discussed further in this memo, a number of these changes will be implemented over the course of the next few months. Moving forward each of these departments will be reorganized to improve service and community outcomes. The new Department of Community Vitality will replace DUHMD/PS with a renewed focus on services that support our community's unique quality of life. The Department of Community Planning and Sustainability will be re-named the Department of Planning, Housing, and Sustainability to reflect its three areas of focus.

IV. IMPLEMENTATION PLAN

a. DUHMD/PS

The city contracted with the Novak Consulting Group (Novak Group) to complete a structural review of the Downtown and University Hill Management Division and Parking Services. This review was performed to provide the City Manager and DUHMD/PS with recommendations on how to structure the division in the most effective way. The Novak Group's analysis led to several recommendations; the most substantial

of which recommends moving DUHMD/PS out from under the umbrella of the Department of Community Planning and Sustainability (CP&S) as a new department, reporting directly to the City Manager's Office. This new department will be named Community Vitality, and it will focus on working collaboratively with businesses, residents, neighborhoods and other city departments on services that contribute to our community's quality of life.

As currently configured, DUHMD/PS is responsible for the management of the Downtown and University Hill commercial districts. These districts are known as the Commercial Area General Improvement District (CAGID) and the University Hill General Improvement District (UHGID). In addition, the newly created Boulder Junction Access District (BJAD) falls under the purview of DUHMD/PS. Each of these districts brings a range of responsibilities, including: public space management, business assistance, parking/access management, facilities management, transportation policy development and district administration. The mission statement of DUHMD/PS is "To serve the Downtown, University Hill, Boulder Junction, and other neighborhoods by providing quality programs, parking, enforcement, maintenance, and alternative mode services with the highest level of customer service, efficient management, and effective problem solving."

As is apparent in the mission statement and range of responsibilities, there is a need to continually review operations and structure to ensure that the division is achieving its mission and responding to the evolving needs of the community. The Novak analysis concluded that:

> A structure like DUHMD/PS is not typically found in many local government organizations. However, what is also evident is the fact that, in Boulder, this array of functions has successfully collaborated with other city departments and key community stakeholders to develop and support thriving districts throughout the city… In assessing the optimal structure for DUHMD/PS in the future, several key objectives need to be considered. First, any recommended change to the structure must preserve the elements of the current structure that have been successful. Second, the organization of these functions must be flexible so that future growth in the number and complexity of districts is cared for at the level expected in the Boulder community. And third, the recommended structure must be sustainable over time in terms of workload for staff and the financial constraints of the city.

The Novak Group developed its recommendations by conducting over 30 stakeholder interviews, both inside and outside of the city organization, to provide 360-degree feedback on current operations and services. They also researched best practices from across the country, and analyzing multiple layers of background information about the department and its work groups. This effort led to the following transition plan:

- Create the Department of Community Vitality that reports to the assistant city manager;

- Further explore and refine the Department of Community Vitality's key objectives that contribute to our community's quality of life;
- Hire a deputy director of Community Vitality;
- Fill vacant communications & special events oversight coordinator with a communications specialist position, focused primarily on communication support and transition citywide special events coordination to other staff;
- Expand the Downtown Business and TDM (travel demand management) coordinator position to include special events responsibilities beyond the Pearl Street Mall Improvement District special events;
- Move the Economic Vitality function from CP&S to the Department of Community Vitality;
- More closely partner with the City Manager's Office and Public Works/Transportation on parking policy;
- Transition capital asset management planning of parking assets to Facilities Asset Management (FAM);
- Appropriately staff the Parking Enforcement operation to provide consistent coverage; and
- Convert the vacant assistant parking manager position to a working supervisor or lead parking enforcement officer position.

The new organization is represented in **Attachment 1.**

Under the new structure the Department of Community Vitality will work more closely with other departments, such as the City Manager's Office and Public Works (Transportation and FAM), to utilize their expertise. This operational transition will allow the new department to focus on its initial key objectives of managing district activity, economic vitality, parking enforcement, and public space management. It will also ensure that the city, as a whole, is providing uniform services across departments and developing policies that fit into the broader organizational and transportation planning efforts. Under this new structure, clear responsibilities for workgroups will be more clearly understood and the workload will be more sustainable.

DUHMD/PS has a vacant deputy director position that will transition to the new department. This position will be responsible for overall departmental management, communication coordination, policy development, long- and short-range planning, and leading educational and organizational initiatives for the department.

Integrating the economic vitality positions within this new department will result in a more comprehensive approach to supporting and addressing economic vitality issues as well as help cultivate communication channels between the broader business community, the districts and parking management divisions. During this transition the economic vitality staff will also experience some change. The current economic vitality coordinator will be moving to a position in the City Manager's Office focused on a citywide customer

experience project and support community engagement strategies and neighborhood programs, as well as other city initiatives. Every effort to ensure a smooth transition of the Economic Vitality function will be made as we seek to fill the economic vitality coordinator position in the near future.

Transportation policy and access management are complex issues in the City of Boulder. Looking toward the development of the comprehensive, city-wide and multi-modal Access Management and Parking Strategy (AMPS), along with the Transportation Master Plan, Community Vitality will be focused on leveraging expertise from across the several departments including Public Works/Transportation; these efforts will fall under the guidance of the City Manager's Office, in partnership with Community Vitality and the Transportation Department.

To facilitate the transition, Community Vitality will also work with Public Works/Facilities Asset Management (FAM) to develop a comprehensive asset inventory and multi-year capital asset improvement program for the Downtown and University Hill parking facilities and public amenities that will be integrated with the Capital Improvement Program. Staff from both departments will work cooperatively to develop the plan based on existing work plans as well as an annual major maintenance program. A multi-year agreement will be created outlining responsibilities:

- FAM's role will be focused on utilizing its expertise in capital asset management plan development;
- Community Vitality's role will be focused on operational maintenance, customer service and implementation of the annual maintenance program.

Broadening the focus of the division to include the interplay between Boulder's business community and Boulder's neighborhoods will help the Department of Community Vitality evolve and respond to the changing needs of the entire community. An interdepartmental approach will be needed to ensure the broadest perspective. Discussions will be underway with the Neighborhood Liaison and City Manager's Office to determine the most effective approach to meet the evolving needs of the community.

b. CP&S

The city contracted with MIG Consulting to conduct an organizational assessment of the Department of Community Planning and Sustainability (CP&S). In line with the previously mentioned intentions, this analysis was aimed at providing insight into CP&S's organizational efficiencies in the Department. MIG found that the executive director currently has a large span of control due to increased programming over the past several years. MIG's primary recommendations are to reduce this large span of responsibility and empower several working groups through manager and deputy director positions. This organizational shift will also provide CP&S with the foundation to respond to future community interests through clearly defining several divisions: Climate and Sustainability, Planning, and Housing. On June 15, council was updated on the initial transition of responsibilities within the planning function of CP&S, and this memo section will further detail the entire transition that the department is moving toward.

Currently, CP&S has several working groups: The Office of the Executive Director, Comprehensive Planning, Development Review, Local Environment Action Division and Support Services (shared between CP&S and Public Works), Economic Vitality and Resilience (Chief Resiliency Officer). The executive director of CP&S also has a reporting relationship with DUHMD/PS and is serving as the interim housing director. The Housing Division is currently located outside of CP&S and has not had a department director since 2013.

MIG completed an operational assessment through conducting a series of work sessions with senior managers from CP&S and elsewhere in the organization, interviewing staff, leading focus groups, conducting a department-wide survey, performing a network analysis to identify key working relationships, and researching best practices from similar departments across the country. The recommendations from MIG come from an exhaustive process that has included input from every level of the department and city organization.

MIG made several recommendations to move toward a more efficient organizational structure. These include: creating a more distributed workload, empowering decision making throughout the department, clearer labeling of work groups to better convey purpose and function, developing a tighter integration of planning functions within the department and with other departments, leveraging departmental leadership, and increasing the departments capacity to handle the myriad of issues and challenges facing the City of Boulder with respect to planning, housing and sustainability.

MIG initially suggested three structural options for creating an optimal organization. After considering each alternative and having lengthy discussion with the city's executive team, a preferred organizational option emerged. This structure will organize the department into five divisions. Two divisions will be overseen by deputy directors, two other workgroups overseen by managers, and a single senior project manager will work across the department on special planning initiatives. All of these positions will report to the executive director.

The new structure creates a formalized channel for each division to work within the larger departmental organization. The span of control for each manager and deputy director will be:

- Deputy Director for Planning, supervising:
    - Current Comprehensive Planning Division
    - Current Planning/Development Review Division
    - City Design Team(formerly, Urban Design Work Group)

- Deputy Director for Housing, supervising the Housing Division
    - Planning and Policy
    - Community Investment
    - Homeownership

- A renamed, Climate and Sustainability Division (formerly the Local Environmental Action Division, or LEAD) led by two managers, including
    - Climate Commitment
    - Energy Services
    - Zero Waste

- Senior Project Manager overseeing special projects

Under the preferred organizational option, CP&S will change its name to reflect the new areas of oversight to the Department of Planning, Housing and Sustainability (DPH+S).

The new organization is represented in **Attachment 2.**

As described in the DUHMD/PS section of this memo the Economic Vitality Division will move out from CP&S into the Department of Community Vitality. In addition, the Resilience workgroup will transition to the City Manager's Office to coordinate the implementation of the cross-departmental work. This workgroup is primarily made up of a single position in the Chief Resilience Officer, Greg Guibert. A work plan will be submitted to council and 100 Resilient Cities in September and following that discussion the implementation phase of the resilience work will begin.

The Housing Division which has operated in coordination with CP&S during this interim period will formally transition to be a part of the Department of PH&S. The natural alignment between the two departments has become apparent through the last two years. This transition will also provide the new department with the opportunity to recruit/hire a deputy director to oversee the Housing Division.

The new organizational structure of Planning, Housing and Sustainability will provide the foundation for greater departmental effectiveness through increased structural clarity, clear alignment between working groups (such as Housing), improved communications, and a more distributed workflow. This structure will also allow the department to evolve in each of the work areas in the future as community interests shift.

V. NEXT STEPS

Both Community Vitality and Community Planning, Housing & Sustainability will begin to take the next steps toward the organizational transitions described above through September. Additional steps will be taken in the coming months that include:

- Integrate new workgroups within DPH&S,
- Recruit for deputy housing director position,
- Transition chief resilience officer position to City Manager's Office,
- Hire special projects manager,
- Transition Economic Vitality Division to Department of Community Vitality,

- Establish new Department of Community Vitality under City Manager's Office,
- Transition capital asset planning management responsibilities to the Facilities Asset Management Division,
- Further emphasize partnership with the City Manager's Office and Transportation Department on parking policy and AMPS,
- Create the customer experience manager position in the City Manager's Office, and
- Hire community vitality deputy director, economic vitality manager, parking services supervisor, and two additional parking management officers.

VI. OTHER IMPACTS

- Fiscal
  - The employment of the deputy director of Housing, referenced in this memo, will potentially create a fiscal impact. The potential impact is based on what employment grade is determined for the deputy housing director. Currently there is a vacant housing policy manager position in the Housing Division that will be reallocated to the deputy position. The grade for this position is still being developed through Human Resources.
  - The employment of two new parking management officers will create a potential fiscal impact.

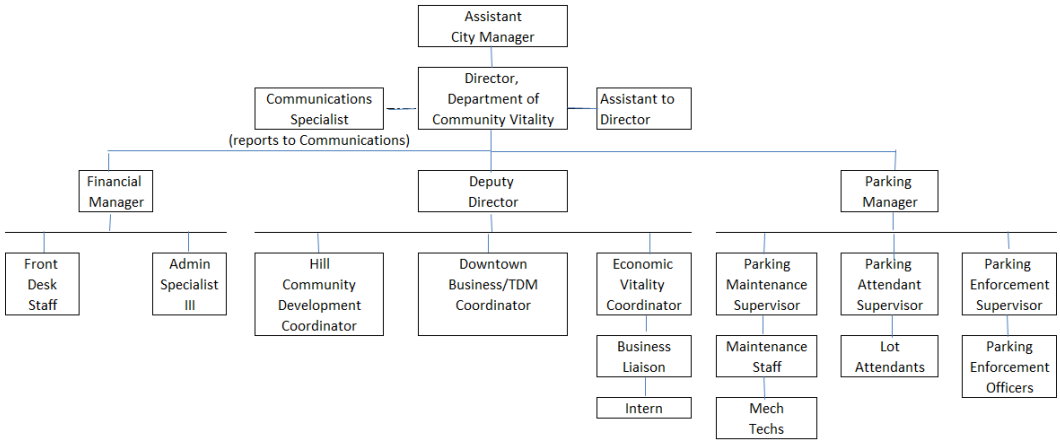
VII. CONCLUSION

Staff is pleased to provide this information concerning the organizational transitions of two City of Boulder departments that support continuous improvement efforts and community priorities. Staff looks forward to implementing these new structures to create greater efficiencies, improved customer service, and address the community's evolving needs.

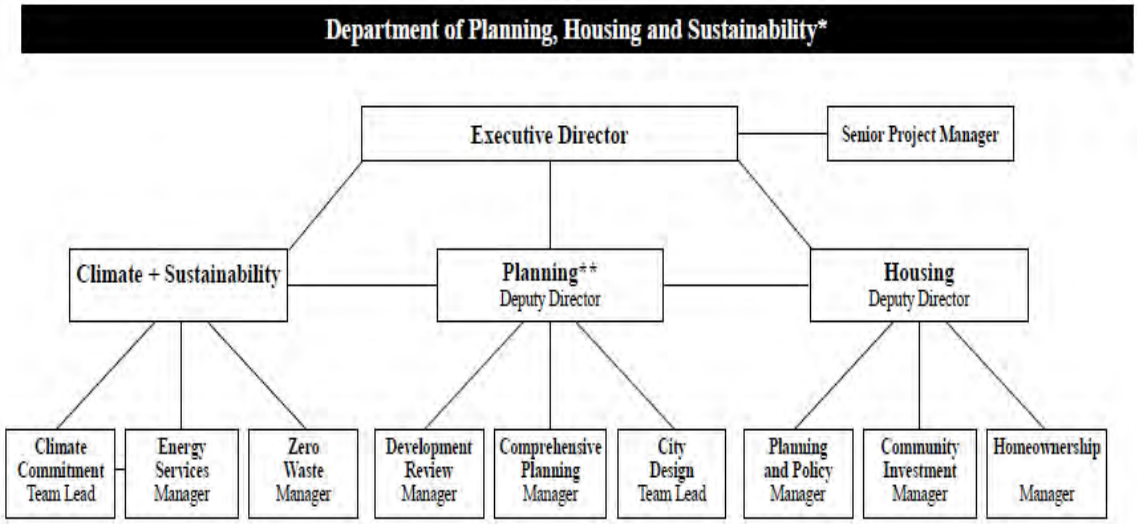
VIII. ATTACHMENTS

Attachment 1 – New organizational structure of Community Vitality
Attachment 2 – Organizational chart for CPH&S

New organizational chart for Community Vitality



New organization chart for CPH&S



* The critical support groups of **Administrative Services**, **Information Resources**, **Finance/Budget** and **Communications** are shared and co-managed between PH+S and Public Works/Development Services.

** Planning along with the **Building Construction** and **PW/Development Review** work groups of Public Works/Development Services collaborate to provide integrated customer service within the **Planning and Development Services Center**. This includes the development review function related to inclusionary housing in the Planning and Policy group of Housing.

NOTE: Under the revised departmental structure, the **Economic Vitality Program** will be repositioned within the new Department of Community Vitality (formerly Downtown/University Hill Management Districts and Parking Services) and the **Chief Resilience Officer** will report to the City Manager's Office.

Teaming and Collaboration: The diagram expresses reporting relationships within the new structure. Individuals and work groups within the department collaborate daily with colleagues throughout the organization and in the community.

INFORMATION PACKET
MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager
Maureen Rait, Executive Director of Public Works
Michael Gardner-Sweeney, Acting Director of Public Works for Transportation
Greg Testa, Police Chief
Curt Johnson, Deputy Police Chief - Operations
Carey Weinheimer, Deputy Police Chief - Support and Staff Services
Tom Trujillo, Commander - Boulder Police Department
Jennifer Riley, Code Enforcement Supervisor
Greg Izzo, Public Works Maintenance Manager

Date: Sept. 15, 2015

Subject: **Information Item: Snow and Ice Control Program and Sidewalk Snow Removal Enforcement**

EXECUTIVE SUMMARY

This year, the city's official "snow season" begins Sept. 15, 2015, and lasts through May 22, 2016. This memorandum provides City Council with information about the city's Snow and Ice Control Program, the status of the residential street plowing program, and sidewalk snow removal enforcement. This memorandum also describes operational adjustments and changes from previous snow seasons that are part of an ongoing effort to improve the city's overall snow removal operations. The Public Works Department has identified these adjustments and changes as part of a comprehensive third-party review that is currently underway.

The Snow and Ice Control Program goals, as related to the Transportation Master Plan, are to:

1. Keep primary and secondary streets, on-street bike lanes and the off-street path system open.
2. Respond with enhanced service levels when significant snowfall impedes public mobility on and around residential roads, sidewalks and bus shelters.

3. Use materials and equipment efficiently and effectively to help reduce the dangers of traveling in inclement weather.
4. Assist with enforcing the sidewalk snow removal regulations (Section 8-2-13, B.R.C. 1981), which require all private property owners and residents to clear ice and snow hazards from public sidewalks or walkways abutting their property no later than 24 hours after a snowfall stops.
5. Communicate any delayed opening or early release decisions in advance of city functions before impending severe weather impacts the ability of residents or employees to safely arrive at their destination within the city.

Snow and Ice Control Program information is made available each year through news releases, printed materials, Channel 8 videos, social media, and online at bouldercolorado.gov/public-works/snow.

In 2013, City Council supported moving forward with a residential street plowing pilot program for the 2013-2014 snow season. With voter approval of a 2013 tax initiative that provides additional transportation funding from 2014 through 2030, staff implemented this pilot as a permanent program for 2014 and beyond. These residential streets have been incorporated and prioritized into the formal snow plow routes and are now treated as normal routes, similar to primary and secondary arterial streets. Staff is working to optimize snow plow routing to further consolidate these residential street additions and identify more efficient ways to incorporate these residential streets into citywide plowing operations.

Due to the increased mileage of multi-use paths added over the past several years, the Public Works Department has also increased maintenance staffing levels to provide a higher level of service on the multi-use path system, including snow and ice control operations.

FISCAL IMPACT

Each year, the Transportation Division's budget accounts for snow and ice control operations for normal weather patterns and events. The adopted 2015 budget for snow and ice control is $1,067,758. Snow control on city streets is affected by the amount of snow, length of the storm, time of day, temperatures and traffic conditions.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic:** The safety and mobility of residents, workers and consumers is essential to the overall economic health of Boulder. The ability to safely travel roads, sidewalks and/or bus stops affects the city's overall economic health.

- **Environmental:** Snow and ice control operations and sidewalk snow removal efforts support multiple travel choices that benefit the environment. The city's street sweeping program and selection of environmentally sensitive products also help achieve air quality and water quality goals for the city and region.

- **Social:** Mobility is a key component to independence, particularly for people with disabilities, seniors, and schoolchildren who are adversely impacted if roads are unsafe or impassable or if sidewalks, bus stops, and multi-use paths are not adequately cleared of snow. The involvement of these populations in community activities, including employment, is essential.

BACKGROUND

Planning For Snow Season

The city begins preparing for snow and ice removal operations well before the onset of winter. The Snow and Ice Control Program goals are achieved by having full crews available to respond, ensuring equipment is maintained and ready when needed, and by providing a safe environment for employees. Each year, crews are educated and trained on the use of snow removal materials and equipment, and plow operators are recertified on the equipment used to perform snow control operations. Snow removal equipment is calibrated and thoroughly inspected at the beginning of each season, as well as throughout the season. In September of each year, staff also inspects all of the snow routes and addresses any hazards (low branches, potholes, etc) before the snow season begins.

Snow Shift Staffing Schedules and Operations

Public Works maintenance staff is split into two snow crews that serve rotating 12-hour shifts throughout a snowstorm until the primary and secondary routes are cleared for safe travel. In past snow seasons, the Boulder Police Department had been responsible for notifying the Public Works Department's 24/7 standby staff when snow first reached the street surface. The standby staff then called and paged the rest of the snow shift staff, which was required to call back within a specific timeframe to confirm availability. The full snow shift was then expected to arrive for work within a specific timeframe.

Although this 24/7 standby shift practice was effective during previous snow seasons, it often set unrealistic expectations for snow shift employees commuting to and from Boulder during severe weather events. The considerable wait time for snow shift staff to call back and confirm their availability put snow response staff in a reactive mode, rather than a proactive mode.

Beginning this snow season, the Public Works Department's goal is to implement two shift schedules that rotate every 12 hours, beginning and ending at 3 a.m. With a set rotating shift, there will no longer be any need for a standby employee to remain on call 24/7. Transportation management and supervisors will now work directly with the Boulder Police Department to determine snow removal activations outside of normal work hours or on holidays.

Transportation Maintenance management believes that this snow shift schedule change will result in a more proactive and efficient response to snowstorms; a more equitable approach to snow shift staffing; better planning of city maintenance operations and resource allocations; and more predictability for plow operators to safely commute to and from Boulder in inclement weather conditions.

Street Plowing Operations During Snowstorms
During snowstorms, 17 plow trucks are operating on Boulder streets. Sixteen trucks drive predetermined routes while one "floater" truck responds to problem areas and requests from public safety personnel and the community. All 17 trucks have the capability of applying deicing materials.

City procedures give priority to major streets that provide regional travel connections, with two plow trucks assigned to each of the five primary routes. The secondary streets that provide access to schools, hospitals, RTD bus routes, and connections to primary streets are the city's next priority. One plow truck is assigned to each of these secondary routes, beginning at the same time as the primary routes. A map of the primary and secondary routes is available on the city's snow website.

The Colorado Department of Transportation (CDOT) monitors and maintains portions of some major roads into and out of Boulder, including U.S. 36 north of Jay Road and south of Baseline Road, SH 93 south of the city limits, the Diagonal Highway 119 north of Iris Avenue, and Foothills Parkway between the Diagonal Highway and Valmont Road.

Generally, like other Front Range communities, the City of Boulder does not usually plow all residential streets, since most snow typically melts within a day or two and because this additional level of service would significantly increase costs, impacting other high-priority community services.

The city began its residential street plowing program during the 2014-2015 snow season, incorporating select streets that were prioritized based on an analysis of residential street slopes. When eight or more inches of snow accumulated and temperatures remained below freezing for 72 consecutive hours, the city deployed two trucks to plow residential streets in the 10 predetermined areas with steep slopes.

From this snow season onward, these 10 residential areas are now part of the city's normal snow removal operations and will be prioritized along with the primary and secondary streets. This residential street plowing program is funded from a 2013 voter-approved tax initiative that provides additional transportation funding from 2014 through 2030.

Boulder residents can also request snow plowing on a specific street by calling 303-413-7109 or making a Snow Plow Request using the Inquire Boulder website or mobile app. The city will respond to plowing requests in the order that they are received, with priority given to requests related to an ADA accommodation.

Deicing Materials
In order to minimize the environmental impacts of snow and ice control, the city uses alternative deicing and traction materials. City water quality staff has reviewed and analyzed the materials and found no significant impact to Boulder's water sources or distribution system. No sand is used unless alternative deicing materials are not available from the supplier and public safety is an issue.

The liquid deicer is a magnesium chloride solution, a plant nutrient and soil stabilizer that is less corrosive than other deicing products. In 2008, the city switched to a more effective and environmentally friendly formulation of magnesium chloride called "Meltdown Apex." Meltdown Apex, which costs slightly more than traditional magnesium chloride, is more readily available from the supplier and continues to be effective at lower temperatures. Staff continues to analyze new and less-corrosive liquid deicers.

The granular material called "Ice-Slicer," used as a crystallized deicer, is made up of complex chlorides that dissolve over time and do not need to be swept. However, in keeping with the city's commitment to air quality goals monitored by the Regional Air Quality Council (RAQC), staff attempts to sweep all snow routes within four days of a storm event or as routes are cleared with bare pavement, whichever comes first.

Depending on weather conditions, streets are sometimes pretreated with liquid deicer before a storm to help reduce the buildup of snow and ice. The material or combination of materials used depends on existing and predicted weather conditions (i.e., the amount of precipitation and humidity) and pavement temperatures.

Standard operating procedures also provide for the proactive application of deicing materials on streets that have certain characteristics (such as steep slopes and significant shading) that contribute to more challenging conditions and typically generate a high number of resident requests for attention. Utilizing data collected from past service requests, this "spot plowing and treating" approach will occur at locations with significant elevation gain/loss and/or solar shading.

Before and during the snow season, the city evaluates and restores its supplies of deicing and traction materials. As meteorologists are expecting a "strong" El Nino that could lead to a harsh winter, the department is stockpiling extra IceSlicer now, while it is being sold at a cheaper rate. Instead of the annual 2,000 to 2,500 tons ordered each season, the department has ordered 3,000 tons and has identified the necessary storage space to hold the extra material. In previous years, it has sometimes proven difficult to obtain sufficient quantities because of the often unpredictable deliveries from Utah and competition for materials with other Front Range cities. Since the materials can be easily stored and used in the future, it is possible that any extra materials will keep over winter and be available for the 2016-2017, so this is a prudent investment.

Operational Efficiencies and a Comprehensive Third-Party Review

The Public Works Department continues to investigate potential tactics to optimize the efficiency of snow and ice removal operations. Advancements in technology and operational strategies have significantly enhanced the available methods of performing snow removal activities. The Public Works Department intends to use the latest technology and organizational systems to:

- Enhance service delivery;
- Strategically allocate and maximize existing resources;
- Reduce costs and/or increase the scope of service;
- Eliminate redundancies; and

- Meet the community's needs and expectations for snow removal services.

The department is currently conducting an evaluation of critical activities related to winter maintenance and operations, which includes a comprehensive third-party review of the Snow and Ice Control Program that will extend through the 2015-2016 snow season. The intent of this project is to advance the city's mission of meeting the Boulder community's need for cost-effective and efficient delivery of public services.

The comprehensive third-party review of the Snow and Ice Control Program will include two phases. Phase 1 is an evaluation process for identifying needs and giving the leadership team recommendations for improvements. Phase 2 will include implementation of the tasks identified in Phase 1 that city leadership recommends to move forward. Tasks that would require increased work to complete would also be part of Phase 2. The project is constructed in a modular fashion to facilitate customized modules in both phases.

The consultant and city staff has identified potential opportunities for short-term improvements during the early stages of the third-party review. These include operational and staffing efficiency improvements that will be fully or partially implemented as part of the 2015-2016 snow season, with no additional cost in labor, equipment or materials.

So far, the third-party review of the Snow and Ice Control Program has produced the following initial findings that will be either fully or partially implemented during this snow season.

1. Phases I and II of the Living Lab program are included in the scope of the third-party review. At this time, both the Folsom Street and University Avenue Living Labs are actively being analyzed. Based on initial review, staff has already identified a new approach for snow removal operations along the Folsom Street Living Lab, which is described in detail below.
2. Beginning this season staff will monitor more closely the volume of deicing materials used by requiring more routine calibration of spreader equipment and by increasing quality control/oversight of material usage and application techniques. The review has identified quality control issues as well as, in some cases, over use of materials. Future snow season operations will also focus on testing less expensive and equally effective substitutes using more accurate and real-time metrics reporting.
3. Enhanced reporting will use current information to guide performance for snow removal operations. Metrics will include input, output, and outcome measures for process control and level of service continuity across the city.
4. Immediate adjustments to staffing assignments and snow shift scheduling will result in a more proactive response to winter weather events and allow for more predicable schedules and an improved work/life balance for the plow operators.
5. The review is currently analyzing snow routes for optimal routing using GIS and applied routing technology. Initial findings have identified an imbalance in some snow routes which will be corrected in time for the upcoming snow season. Other findings will be applied later in this snow season as they are identified and encountered through the review.
6. Incorporating recent technical innovations into the city's vehicle fleet will reduce the number of fixed assets by using combination bodies instead of both trucks and spreaders. This change

will create a safer work environment, reduce equipment and maintenance, lower capital costs and require less effort to change from snow removal to traditional work.

By the end of the 2015-2016 snow season, the comprehensive third-party review of the Snow and Ice Control Program will document and identify additional long-term improvements for further analysis and discussion.

Living Lab Projects and Reconfigured Streets
The city has implemented multiple Living Lab projects within the city that affect snow removal operations. The most significant is the Folsom Street Living Lab, which involves the reconfiguration of lanes and intersections. Public Works staff will ensure that these Living Lab streets and bicycle lanes are kept clear of snow and ice. City staff also has consulted with other cities who are piloting similar street projects.

The third-party review is also addressing operations and equipment alternatives for the Living Lab projects and any changed or unique uses of city streets and paths. The preliminary operation plan drafted with the consulting firm calls for continuing normal operations along the vehicle lanes, with two of the department's larger plow trucks servicing the street. Snow within the vehicle lanes will be plowed to the center turn lane along Folsom Street. This may create temporary snow buildups in the center turning lane (known as windrows), which will be promptly removed once they reach a height of approximately two feet. The city currently uses this plowing and hauling method for other streets in Boulder.

The windrowed snow in the center turning lane along Folsom Street will only remain for brief periods while removal and hauling commences. As a back up to city resources, local contractors could be utilized for snow hauling. Four extra dump trucks will be on reserve through contracting for loading and hauling of windrowed snow.

Snow removal between the vehicle lane and curb will involve a separate operation with different equipment. The bicycle lanes along the Folsom Street and University Avenue Living Labs will be cleared using smaller equipment that the city already owns, including: a "Gator" all-terrain vehicle equipped with a plow; Ford Ranger pickup trucks equipped with plows and deicing tanks; small loaders equipped with plows; and snow blowers.

Snow will generally be plowed into the landscaped zones along Folsom Street, along with other right-of-way spaces that staff has identified for additional snow storage. Occasional removal of bollards may be necessary to help fit the snow removal equipment into the bike lanes. Smaller equipment will be used to drag snow from between bollards towards the curb. Sidewalk crews will continue maintaining sidewalks that front city managed properties or other public ROW spaces along Folsom Street, and with a heightened focus on accumulated snow needing removal.

Transit Shelters
Transit shelter maintenance continues to be a challenge for the city and the Regional Transportation District (RTD). With nearly 1,000 transit stops located within Boulder, the city and RTD are only able to provide regular maintenance at high-use transit stops to the extent that human and financial resources permit. Snow removal is performed at the remaining RTD transit

stops on a limited basis by city staff or contractors, typically by request only. RTD's Adopt-a-Stop program utilizes community volunteers to remove trash and snow from designated stops.

Weather-related Decisions About City Facilities and Programs
When an incoming severe weather event is forecasted that could affect the transportation system, the Public Works Department follows a standard operating procedure that guides communication with the City Manager's Office and assists with decision-making regarding city facilities and programming. Transportation Maintenance staff analyzes forecasting and other real-time informational tools, assesses local roads, and investigates the response of other agencies, including the University of Colorado Boulder, Boulder Valley School District, CDOT, the Boulder County Office of Emergency Management, and other nearby cities. Transportation Maintenance management collects and analyzes all information and provides an informed recommendation to the Executive Director of Public Works about the appropriate response and action. A recommendation could include delaying the opening of city facilities, early release of city functions, or postponing public meetings and events. The City Manager's Office consults with the Executive Director of Public Works and makes the decision to alter city functions or facility hours.

SIDEWALK SNOW REMOVAL ENFORCEMENT

Section 8-2-3, B.R.C., 1981 requires that sidewalks adjacent to both residential and commercial properties be cleared of snow and ice no later than 24 hours after a snowfall or snowdrift. Property owners, tenants and property managers can each be held responsible for failure to remove snow. Violation of the ordinance can result in a municipal court summons and fine ($100 for first offense) or abatement, in which the city hires a contractor to clear the sidewalk at the property owner's expense. Enforcement of the sidewalk snow removal ordinance is handled by the Code Enforcement Unit in the Boulder Police Department. Code Enforcement is available seven days a week from 7 a.m. through 5 p.m. Code Officers schedules will be adjusted during the snow season as needed to fully respond to snow events.

The National Weather Service website, www.nws.noaa.gov/data/obhistory/KBDU.html, is the official resource monitored for local weather conditions. The information is updated every 20 minutes. To learn when the 24-hour time period begins, community members can go to the website and look for the "Weather" column and corresponding time. The descriptions in the weather column will include "Overcast," "Fair," "Mostly Cloudy," "Light Snow," "Snow," etc. Code Enforcement may begin enforcing the snow removal ordinance 24 hours after the last mention of snow listed on this website. Residents may also check Inquire Boulder or call the code enforcement line at 303-441-1875 to learn the official time that snowfall stopped. During times of consecutive storms, the original stop of snowfall will be enforced when no apparent effort is made to keep the sidewalks cleared for safe passage.

When a Code Enforcement Officer identifies a violation of sidewalk snow removal, the officer attempts to make contact at that location to have the snow removed. If no contact can be made, a 24-hour notice of violation is posted on the front door of the property in violation. Only one notice per snow season will be issued to a property. A notice will also be mailed to the owner of record per the Boulder County Assessor's office and to any agent listed on the properties rental

license. After the expiration of the notice, an officer will re-inspect the property to confirm compliance. Should a property remain in violation and for repeat offences, the address will be added to a list that is forwarded daily to a contractor for abatement of the hazardous condition. The property owner is then billed for all snow removal charges and assessed an administrative fee.

Parking Service Officers will be posting courtesy notices to snow violations within their 10 assigned Neighborhood Parking Permit zones while conducting parking patrols. These notices will increase the ability of the city to contact properties that have not shoveled and encourage voluntary compliance for the remainder of the snow season. Properties that fail to shovel will be reported to code enforcement for further enforcement.

The Code Enforcement Unit will continue to partner with the University of Colorado Off-Campus Housing and Neighborhood Relations department, as well as other community and neighborhood groups, for an educational campaign that will focus on the importance to "Make it Clear."

Education will focus on:

- increasing community awareness of each person's role in ensuring that sidewalks are cleared and safely passable after snow events;
- the requirements of the sidewalk snow and ice removal ordinance; and
- the liability should a violation remain on private property.

Education will be in the form of detailed pamphlets being delivered door-to-door in identified areas that have a high volume of new residents each season and a history of repeat violations. Information will also be available on the city website and through outreach to local media sources. "Make it Clear" will also direct people to resources for snow removal assistance and to volunteer opportunities to assist others in the community.

Additional code enforcement information can be found on www.inquireboulder.com under "Code Enforcement Unit," which includes a link to the National Weather Service report for Boulder.

NEXT STEPS

The comprehensive third-party review of the Snow and Ice Control Program will continue throughout the 2015-2016 snow season. Based on city leadership's direction, Phase 1 recommendations for improvements will be implemented during Phase 2, along with long-term improvements that will require more work to complete.

The short-term improvements to operations and staffing that were identified during the early stages of the third-party review will be fully or partially implemented as part of the 2015-2016 snow season, with no additional cost in labor, equipment or materials.

For more information about the Snow and Ice Control Program, please contact Gregory Izzo at izzog@bouldercolorado.gov or 303-413-7160.

For more information about the transportation planning effort regarding bus shelter maintenance and the Living Lab Program, please contact Kathleen Bracke at brackek@bouldercolorado.gov at 303-441-4155.

For more information about code enforcement efforts, please contact Jennifer Riley at rileyj@bouldercolorado.gov or 303-441-1877.

CITY OF BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING SUMMARY

NAME OF BOARD/COMMISSION: Environmental Advisory Board

DATE OF MEETING: August 5, 2015

NAME/TELEPHONE OF PERSON PREPARING SUMMARY: Sandy Briggs/303-441-1931.

NAMES OF MEMBERS, STAFF AND INVITED GUESTS PRESENT:
Environmental Advisory Board Members Present: Steve Morgan, Tim Hillman, Brad Queen, Karen Crofton and Morgan Lommele.
Staff Members Present: Brett KenCairn, Kendra Tupper, Kathleen Alexander, Kevin Andrews and Sandy Briggs.

MEETING SUMMARY:

- **Building Performance Ordinance (BPO)**
  - The board supported the proposed Building Performance Ordinance and will write a letter of endorsement to City Council to that effect.
  - The board questioned and received clarification on several points:
    - Incentives, exemptions and penalties,
    - How large industrial campuses will be involved in compliance while still protecting trade secrets, and
    - The purpose of a three-year compliance period.
  - The board recommends that any penalties for non-compliance be normalized by business size (per square foot).
  - Some members of the board expressed concerns that owners would pass along costs to business tenants and that smaller tenants would take the brunt of these costs. They requested further analysis regarding how to measure and quantify how this might occur over time. They also suggested potentially requiring landlords to amortize any assessments levied on their tenants over five to ten years and add a requirement that tenants can "cry foul" if the assessments or payment schedule are out of line.
  - The board disagreed about whether language should be added to the ordinance to regulate the potential passing through of costs from landlords to tenants.
  - One board member stressed the importance of tracking the benchmarking data for all potential benefits, including economic. This will inform reports not only with energy usage levels but cost/benefit information regarding other types of payback (jobs, rebates, etc…) He also recommends using ideas from other cities around the country to urge compliance as well as expansion of PACE efforts.

- **Emerald Ash Borer (EAB) Update**
  - The board questioned and received clarification regarding how the EAB arrived and is being mitigated, and the intent of public awareness outreach.
  - A board member advocated for tree giveaways such as Boulder County has done. They also suggested that if the free trees could be provided at more obvious and convenient

locations, the effort could be more successful.

- The board agreed Forestry is using a well-balanced strategy for mitigation and prevention efforts.

1. CALL TO ORDER

Environmental Advisory Board Chair **S. Morgan** declared a quorum and the meeting was called to order at 6:10 pm.

2. APPROVAL OF MINUTES

On a motion by **B. Queen**, seconded by **M. Lommele**, the Environmental Advisory Board voted 5-0 to approve the July 1, 2015 meeting minutes as amended.

4. PUBLIC PARTICIPATION

None.

5. PUBLIC HEARING ITEMS

None.

6. DISCUSSION ITEMS

A. Building Performance Ordinance (Tupper)

K. Tupper updated the board on the status of the Building Performance Ordinance (BPO) and its pending first reading by City Council on September 1, 2015.
Since the ordinance is now being fully developed and the City Manager's Rule in draft process, Environmental Advisory Board feedback is requested regarding several key areas. The options Council supported during their May 12, 2015 meeting were the same as the EAB recommendations. Therefore, the discussion is now turning towards compliance details and the implementation schedule. Ideas and strategies on achieving the highest possible compliance rates are also being sought in order to provide a complete recommendation to Council.

B. Emerald Ash Borer Update (Alexander)

K. Alexander updated the board regarding the status of the emerald ash borer infestation and requested feedback on efforts to curtail and mitigate its damage as well as provide education and outreach.

7. OLD BUSINESS/UPDATES

M. Lommele preferred the format of having brief written updates in the board packet rather than full presentations and discussions.

A. Bear-Proof Receptacle Ordinance Update (Written by Valerie Matheson)

S. Morgan commented that he and some of his neighbors are experiencing wear and tear on their receptacles that is likely due to regular use, but possibly also due to bear attempts to gain access or Western Disposal abuse. So far, two receptacles have needed replacement and the locks changed. While the replacements work well, it's not cost effective long-term to replace bins regularly.
S. Briggs will provide this feedback to **V. Matheson**.

B. Boulder Energy Challenge Update (Written by Jamie Harkins)
B. Queen requested a copy of the Snugg Home prospectus from **B. KenCairn**. They will discuss specifically what is being requested and **B. KenCairn** will provide the information offline.
S. Morgan does not believe there is enough data yet to draw any conclusions.

8. MATTERS FROM THE ENVIRONMENTAL ADVISORY BOARD, CITY MANAGER AND CITY ATTORNEY

- **K. Crofton** will write a letter to City Council acknowledging the Environmental Advisory Board's unanimous support of the Building Performance Ordinance.
- The Mid-Year Check-In has been postponed until the September 2, 2015 meeting.
- **B. KenCairn** noted that an EAB member had submitted comments to another advisory board member without providing sufficient time for the staff to respond and that a number of the conclusions drawn by the board member would have benefited from direct discussion with staff prior to presentation to another board. He requested that EAB members give staff adequate time to respond to statements made to other boards or Council or that the EAB member wanting to make such statements clearly indicate that they are making such statements as private citizens rather than as representatives of the EAB.
  S. Morgan agrees but also believes this sharing is a good thing overall.

9. DEBRIEF MEETING/CALENDAR CHECK

10. ADJOURNMENT

Environmental Advisory Board adjourned at 8:11 pm.

Approved:

Stephen W. Morgan 9/2/15

Chair Date

CITY OF BOULDER
BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING
MINUTES

Name of Board/ Commission: Library Commission

Date of Meeting: June 3, 2015 in the Canyon Meeting Room, Main Library, 1001 Arapahoe Ave.

Contact Information Preparing Summary: Carrie Mills, 303-441-3106

Commission Members Present: Paul Sutter, Joni Teter, Donna O'Brien, Alicia Gibb, and Tim O'Shea
Commission Members Absent: None.

Library Staff Present:
David Farnan, Director of Library & Arts
Jennifer Miles, Deputy Library Director
Aimee Schumm, eServices Manager
Adam Watts, Creative Technologist
Carrie Mills, Administrative Specialist II
Dick Shahan, Library Clerk I

City Employees Present:
Devin Billingsley, Senior Budget Analyst

Public Present:
Sean Maher, CEO, Downtown Boulder, Inc.
Shelby Arnold, Community Development Manager, Downtown Boulder, Inc.

Type of Meeting: Regular

Agenda Item 1: Call to Order and Approval of Agenda **[6:00 p.m., Audio 0:22 min]**
The meeting was called to order at 6:00 p.m.

Agenda Item 2: Library Commission photo **[6:01 p.m., Audio 0:38 min]**
The commissioners stepped out to the Canyon Gallery to take a new Library Commission photo for the website.

Agenda Item 3: Public Participation **[6:02 p.m., Audio 2:37 min]**
Shahan, an employee of the Boulder Public Library for 16 years and president of the Boulder Municipal Employees Association, announced plans for retirement in late November. He explained plans to apply to both the Boulder Library Foundation and the Library Commission in 2016. The commissioners congratulated Shahan on his impending retirement.

Agenda Item 4: Consent Agenda **[6:04 p.m., Audio 3:40 min]**

Item 4A, Approval of May 6, 2015 minutes (p. 2-4)
O'Brien and Sutter recommended a few grammatical changes. Gibb moved to approve. O'Brien seconded. Vote 4-0, unanimous. Teter abstained because she was not present at the May meeting.

Agenda Item 5: Downtown Boulder, Inc. partnership with the Library **[6:05 p.m., Audio 4:51 min]**
Maher relayed feedback from many residents that downtown Boulder lacks an art cinema. Following a model in Austin, Texas, Maher considered a small, improvised venue to screen films. Similar businesses in Austin advised that successful art cinemas must be dependably scheduled and serve liquor. The proposal is a partnership between the Boulder Public Library (BPL); Downtown Boulder, Inc. (DBI); and to a lesser degree, the Boulder County Farmers Market (BCFM). BPL will handle the maintenance, cleaning, access, and security of the facility. DBI will handle the customer experience, including marketing, ticket sales, and ushering. The BCFM will serve food during the event from the Seeds Library Café. Currently, the plan included showings from Thursday to Saturday with the occasional Saturday off to allow BPL theater availability for programming. The City of Boulder (COB) and DBI are pursuing an arts license to serve liquor where the COB would apply for the license and DBI would serve as manager and assume liability. Read the full proposal here: https://boulderlibrary.org/wp-content/uploads/2014/12/2015-June-LC-Packet.pdf#page=5
Commission discussion, questions, and comments included:

- Sutter reminded commissioners that the liquor license would be discussed later in the meeting, and opened the floor to questions for Maher.
- Teter inquired about the planned hours of operation. Maher noted that the times were not finalized, but anticipated the following: one show on Thursday at 6:00 p.m., two shows on Friday at 6:00 and 9:00 p.m., and

two shows on Saturday at 11:00 a.m. and 9:00 p.m.

- Teter asked if the same film will be shown at all screenings, to which Maher said it had not yet been determined.
- Gibb felt that the liquor sale estimates were low and wondered how the projection was calculated. Maher purposely estimated the sales conservatively; expecting less than one-third of attendees will buy a glass of wine.
- O'Brien asked what groups and events will be displaced by this new use of the theater. Farnan explained that only two events over the course of the year were scheduled in conflict with the cinema plan. Further, he cited activation of the theater as the primary objective for BPL.
- O'Brien and Teter expressed concern over the community's ability to use the theater for other groups and events during the weekend.
- Sutter asked if Sundays were an option and if Thursdays were critical to the proposal. Farnan noted that many Sundays in the theater were booked for programming, presenting a considerable conflict. He did not believe that he had staff willing to stay afterhours on Sundays, nor did he know if there was a sizeable market for Sunday night screenings.
- O'Brien inquired about how profits would be shared. Farnan and Maher agreed that the full breakdown had not yet been decided. Farnan added that any money received on behalf of the library would first go to the city, from which the library could request the funds.
- Sutter asked about any perceived competition with the Dairy Center for the Arts. Farnan explained that the offerings, largely limited to Sundays, are very different than the films that would be available to the library's 200-seat theater. Maher, having met with staff at the Dairy, relayed their excitement for cross-promotion.
- O'Shea asked for more details on the specialty projector. Maher noted that the current projector is on a 12-month loan and he anticipated the loan's renewal at the end of the term.

Agenda Item 6: Presentation on plans for the new Maker Space [6:31 p.m., Audio 30:58 min]

Watts presented on the new Maker Space and preliminary plans for location, outlay, and equipment.

Commission discussion, questions, and comments included:

- Teter wondered if Ecocycle or Restore had been approached as potential partners for materials. Watts confirmed that he had conversations in passing with staff from both entities, but that the determination would be made once the space was open and active.
- Sutter asked about the staffing requirements for the future space. Farnan explained that a new full-time position will open to assist in overseeing the space. He mentioned that some staff may be asked to do programs in the space, but primarily the library will recruit volunteers with a related knowledge base.
- O'Brien expressed concern for patron safety. Schumm confirmed that whenever the space is open, there will be a staff member present to assist and oversee.
- O'Shea asked about liabilities and how they would be handled. Watts detailed a plan that included introductory classes for patrons who are new to certain types of machinery, physical protection with equipment that has built in safety measures, and consistent supervision.
- Teter considered the need for outreach to different populations. Schumm agreed, citing plans for outreach into different pockets of the community.
- O'Shea expressed interest in how the space would be marketed to individuals with small businesses, especially in light of the Small Business Development Center's recent move to the library.
- O'Shea asked about provisions made to prevent noise from traveling out of the space. Schumm agreed, citing a need for the space to be booked around other considerations, such as events in the Canyon Theater.
- In response to a question from O'Brien, Schumm reported that the infrastructure of the space will be completed by October 2015, with the plan to open in January 2016.

Agenda Item 7: 2015 Library budget updated and 2016 budget planning [6:54 p.m., Audio 53:40 min]

Billingsley came to answer questions on the document he supplied for the packet, found here: https://boulderlibrary.org/wp-content/uploads/2014/12/2015-June-LC-Packet.pdf#page=11

Commission discussion, questions, and comments included:

- Sutter asked what the major advantages were to returning the maintenance position to Facilities and Assets Management (FAM). Billinglsey responded that there is no cost savings. Farnan felt this was the most efficient way to service the building, as FAM has been responsive to all requests. He continued, saying that FAM is looking long-term at proactive changes. Miles cited a greater breadth of expertise.
- Teter inquired about the additional marketing budget. Farnan noted that long-term, there is a plan for additional staffing, but for now, the additional money is intended for contracting services.
- Sutter commented on the decrease in fines and fees, and asked if there were any concerns. Billingsley explained that they do not try to use them as a revenue source as the number is difficult to project. Ultimately, fluctuation is reasonable.

Agenda Item 8: Approval of the updated Privacy Policy (p. 16-18) **[7:02 p.m., Audio 1:02:09 hr]**
Commissioners made grammatical changes to ensure flow and clarity in the policy. Teter moved for adoption as amended. Gibb seconded. Vote 5-0, unanimous.

Agenda Item 9: Library Commission updated (from memo) (p. 19-26) **[7:06 p.m., Audio 1:06:42 hr]**

Item 9A, Future Agenda Items
This item can be found in the Library Commission memo, found here: https://boulderlibrary.org/wp-content/uploads/2014/12/2015-June-LC-Packet.pdf#page=19

Item 9B, Discussion of Library Commission job description
O'Brien recommended that this issue be approached by a subcommittee. Gibb and O'Shea volunteered. Sutter saw a need for two lists: one that outlines what the commission actively does and another that lists qualities and skills that are desirable. Teter stressed the importance of including the relationship with the Foundation, as two commissioners will serve as board members, which is an added time commitment. Teter reopened the question on whether a commission applicant must be a current library user. Farnan reported that in recent studies, it was shown that whether one uses public libraries does not correspond to whether one supports them.

Item 9C, Boulder Library Foundation update
O'Brien reported that the subcommittee for fundraising will meet on Monday, Jun. 8. She remarked on the recent progress that the Foundation has made. Teter agreed, noting that things were really moving forward. O'Brien added that the officers will be elected in the next meeting.

Agenda Item 10: Library and Arts Director's Report **[7:24 p.m., Audio 1:24:39 hr]**

Item 10A, Civic Area Update: preliminary options for north building and theater renovations
Staff are working on a feasibility analysis for renovations to the north building. Farnan noted a community need for a performance space, but commented on the balance with the need for that space to generate revenue in order to fund this significant development. Teter spoke on the shortage of community space in Boulder and felt that this should be held as a high priority. The commissioners discussed the pressure the library would feel to fund, staff, and manage the venue if a full performing arts space were added to the facility. In response to the possibility that the new venue would be connected with the St. Julien, O'Shea and O'Brien shared reservations about aligning with a for-profit interest. Gibb noted that libraries are one of the few remaining public forums and as such, may be required to take on more responsibilities for public performance. Sutter felt that it was the commission's responsibility to speak for the interests of the library. Farnan expressed his mixed feelings on the proposal.

Item 10B, Update on discussion about liquor license for Library partners
Teter preferred that the City of Boulder/Boulder Public Library hold the liquor license because it allowed the greatest flexibility and control for all events held in the space. Farnan explained that the library does not need a permit to serve alcohol without cost, but can request up to 15 special event permits per year to sell alcohol. He further stated that, to his knowledge, the library has never served alcohol during operating hours. Sutter recommended that the commission first discuss their comfort with serving alcohol during the library's operating hours. Several commissioners were uncomfortable with the possibility, and recommended alternatives such as: isolating the area from library traffic, closing the north side to library traffic, delivering drinks to seated customers, and posting a guard. Farnan explained that the current proposal is to serve alcohol from the café that is only available for purchase by active ticket holders. After further discussion, commissioners were supportive of alcohol sales while the library is closed, but were uncomfortable approving sales while the library is open without more specifics. Sutter motioned to allow staff to pursue an arts liquor license for the library. O'Shea seconded. Vote 5-0, unanimous.

Item 10C, July 11, 2015 Library Commission retreat agenda and discussion topic planning
Farnan sent readings for the retreat, but will resend again. Sharon Morris of the Colorado State Library is set to facilitate. The day will focus on library trends with some consideration for the upcoming master plan. Foundation officers and library leadership will also be in attendance.

Item 10D, Draft Master Plan process overview
Teter asked about the process for developing a master plan. Miles confirmed that the commissioners will look over master plans from other departments and very limited review of past iterations from the library. Farnan noted that the steering committee would consist of at least one commissioner, library staff, and members of the public, with a preference for greater numbers of the public.

Item 10E, BPL quarterly performance statistics – Q1 2015
In response to observations by the commissioners, Farnan noted that while circulation numbers are down, this is a trend among libraries. He noted that the key to driving up circulation numbers is to increase the number of materials available.

Item 10F, Jaipur Literature Festival update
Farnan reported that the planning is going well. He pointed to the list of confirmed authors that was distributed earlier in the evening.

Agenda Item 11: Adjournment **[8:42p.m., Audio 2:42:25 hr]**
Sutter announced that he received a residential fellowship in Germany starting in a year and he will need to step down at that time. There being no further business to come before the commission at this time, the meeting was adjourned at 8:42 p.m.

Date, Time, and Location of Next Meeting:
The next Library Commission meeting will be the annual retreat at 8:30 a.m. on Sat., July 11, 2015, in the Boulder Creek Meeting Room at the Main Library, 1001 Arapahoe Ave., Boulder, CO 80302.

APPROVED BY:

Board Chair

9/1/15
Date

ATTESTED:

Caroline Mills
Staff Secretary

Sept. 1, 2015
Date

An audio recording of the full meeting for which these minutes are a summary, is available on the Library Commission web page at https://boulderlibrary.org/about/commission/.

CITY OF BOULDER
BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING
MINUTES

Name of Board/ Commission: Library Commission

Date of Meeting: July 11, 2015 in the Boulder Creek Meeting Room, Main Library, 1001 Arapahoe Ave.

Contact Information Preparing Summary: Carrie Mills, 303-441-3106

Commission Members Present: Paul Sutter, Joni Teter, Donna O'Brien, Alicia Gibb, and Tim O'Shea
Commission Members Absent: None

Library Staff Present:
David Farnan, Director of Library & Arts
Jennifer Miles, Deputy Library Director
Eileen McCluskey, Public Services Manager
Aimee Schumm, eServices Manager
Antonia Gaona, Access Services Manager
Linda Cumming, Reynolds Branch Manager
Hillary Dodge, Meadows Branch Manager
Laura Hankins, Collection Development Librarian
Erica Segraves, Youth Services Manager
Carrie Mills, Administrative Specialist II

Boulder Library Foundation Members Present:
Liz Abbott, Vice President
Barbara Kostanick, Treasurer

Facilitator: Sharon Morris, Director of Library Development, Colorado State Library
Presenter: Pam Sandlian Smith, Director, Anythink Libraries

Type of Meeting: Retreat

Table Discussion 1: Essentials to Retain

The retreat began with attendees writing down three elements of the Boulder Public Library that they consider the most important to retain. Answers could be ideological or practical. Participants then went around the room introducing themselves and reading off an essential from their list. Below is the list of essentials generated by participants.

Essentials to Retain

- Community Forum
- Real books
- Focus on literacy
  - Digital
  - Early
- Internet access for all
- Community focus
- "Yes" library
- People at the library to help
- "Travel guides" to knowledge
- Privacy as a trusted source
- Ethical
- Real people – Adult Reference
- Informal Learning
- Mix/Balance self-guided vs. staff assisted access
- Cultural record/Example of values
- Local history/Library archive
- Unfettered access/equalizer
- Curated programming that compliments other essentials
- Free
- "Book a Librarian" 1-on-1 focus
- Maker space and other non-traditional offerings
  - Reaching for innovation
- Circulating collection
- Technological know-how
- Café

- Serendipitous learning
- Know/retain our audience

Themes/Summary of Trends

- Creation and Curation
- Place
- Community
  - Awareness and understanding of library
  - Civil discourse
  - Listening to community desires
  - Relationship
- Staff Expertise
- Learning and Literacy

Table Discussion 2: Library Trends

In these exercises, participants broke up into color groups. As a collective, participants brainstormed all of the recent trends in libraries. Then, the teams picked the top four or five trends on which the Boulder Public Library should focus.

Trends – Red

- Library as technology mentor and natives
- Library as a platform for creation
- Library as a place for collaboration and an individual work space (co-working)
- Library everywhere and how do we support that

Trends – Blue

- Flexible space (moveable shelves, casters)
- Connectivity (tech, people, community; inside and outside of building and web)
- Library collaboration (globally)
- Community creates content (programming, content – books, ownership, community-run space)
- Developing staff skills (project management, pre-emptive learning)

Trends – Green

- Digital materials circulation (expansion)
- Curating library experience – make it accessible to all groups
- Network common resources so we can focus on uniqueness of Boulder
- Continue to provide what libraries and loved for (physical books, keep up with what works)
- Expand community's perception that we are a community space (Third Place, Familiarize immigrants with what the public library is, levelers/equalizers)

Trends – Yellow

- Partnerships
  - Embedded librarians
  - Reducing duplication (schools)
  - Sustainability
  - Library as connector
- Public collaborative space
  - Library as connector
  - Artist/Writer/Business in residence
- Educational platform
  - Info in all formats
  - Social/civic discourse
  - Curation
- Literacy
  - Information
  - Technology
  - Early
  - Creative/"maker"

Group Activity: Developing the Master Plan

Attendees were presented with several overarching components to the library. They were asked to post any ideas under each category that might be considered for the master plan. Next, the ideas where rearranged into like groups. Then attendees were presented with a sheet of dot stickers to vote on the most important priorities. This section is broken down by component. In parenthesis, the total votes are tallied.

Programs and Services

- Early literacy (10)
- Entry to entrepreneurship/co-working (7)
- Presence in community outside of library (7)

- Focus on outcomes/bridging community gap (7)

Funding and Support

- Revenue streams beyond taxes (11)
- Staff retention (7)

Library Staff

- Provide staff non-traditional learning experiences as professional development (9)
- Increased marketing to promote collections and services (9)
- Recruitment based on competencies and development (8)

Facilities

- Clean, safe, inviting buildings (12)
- Physical space v. virtual services (8)
- Enhance collaborative spaces (7)
- Raise Carnegie's profile (7)

Library Leadership

- Flexibility in master plan (7)
- Authentic assessment of how programs worked (7)

Technology

- Staffing/ability to support (11)
- Connectivity/network (10)

Partners

- Define our goal for school partnerships (12)
- Using partnerships to bring new groups into BPL (10)
- Community presence outside of walls (9)

Collections

- Balance of digital and hard copy (10)
- Providing enough materials (7)

Other

- Reaching community members who are not current users (11)
- Marketing and advertising all the library does (10)

Date, Time, and Location of Next Meeting:

The next Library Commission meeting will be at 5:30 p.m. on Wed., Aug. 5, 2015, in the Canyon Meeting Room at the Main Library, 1001 Arapahoe Ave., Boulder, CO 80302.

APPROVED BY:

Board Chair

9/1/15

Date

ATTESTED:

Caroline Mills

Staff Secretary

Sept. 1, 2015

Date

An audio recording of the full meeting for which these minutes are a summary, is available on the Library Commission web page at https://boulderlibrary.org/about/commission/.

Colorado Cities & Towns Week
September 14-20, 2015

WHEREAS, municipal government is the government closest to most citizens and the one with the most direct daily impact upon its residents; and

WHEREAS, municipal government is administered for and by its citizens and is dependent upon public commitment to and understanding of its many responsibilities; and

WHEREAS, municipal government officials and employees share the responsibility to pass along their understanding of public services and their benefits; and

WHEREAS, Colorado Cities & Towns Week is a very important time to recognize the role played by municipal government in our lives; and

WHEREAS, the Colorado Municipal League's member cities and towns have joined together to teach students and other citizens about municipal government through a variety of different projects and information; and

WHEREAS, Colorado Cities & Towns Week offers an important opportunity to convey to all the citizens of Colorado that they can shape and influence government through their civic involvement.

NOW, THEREFORE, BE IT DECLARED by the City Council of the City of Boulder, Colorado, all citizen, municipal government elected officials and employees are encouraged to do everything possible to ensure that this week is recognized and celebrated accordingly.

Matthew Appelbaum, Mayor